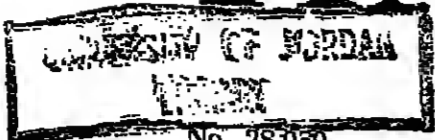


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No. 28,030

FINANCIAL TIMES

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JAMES & TATTON for STEEL

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NEWS SUMMARY

GENERAL

Letter bomb sent to Minister

A mail bomb was found at Beccles Post Office, Suffolk, yesterday addressed to Employment Secretary James Prior.

Bomb hoax

Three young Birmingham factory workers who sent their boss a hoax letter bomb bearing 'Belgian stamps' as a joke, were fined £100 at Birmingham Magistrates Court.

Iran sanctions

The U.S. is to ask the UN Security Council to impose economic sanctions against Iran, officials in Washington said.

Pol Pot ousted

Khmer Rouge leaders in Kampuchea have ousted Pol Pot as Premier and appointed the President, Khieu Samphan, to the post, Page 2

'Dino' jailed

Orestes 'Dino' Bahurris, 18, who was arrested in August after a police hunt, was jailed for six years at Ipswich Crown Court for offences including burglary, robbery, and using a firearm to resist arrest.

Libya/PLO split

Libya has severed all formal contact with the Palestine Liberation Organisation in a worsening dispute between the guerrillas and Libyan leader Muammar Gaddafi, according to the PLO.

Navratilova move

The parents and sister of tennis player Martina Navratilova, who defected from Czechoslovakia four years ago, are to be allowed to join her in the U.S., say American sources.

Snow in Europe

As European cities had their first taste of snow this winter, London hankymakers lowered the odds against a white Christmas from 5-1 to 5-2 after a brief hailstorm in mid-afternoon.

Health agency

A central procurement agency for National Health Service purchases is to be set up in the New Year, Health Secretary Patrick Jenkin told Parliament, Page 3

Crowning glory

The Queen has approved a plan by the Master of the Mint to issue a special crown coin to mark the 80th birthday of the Queen Mother next August.

Briefly...

Nottingham Forest supporter Clifford Marriott, 17, was jailed for six months for throwing a dart at Arsenal goalkeeper Pat Jennings. Chairman of the Northumbrian Water Authority Sir Ralph Carr-Ellison was taken to hospital after being injured by a piece of falling rock 600 ft below ground at the Kielder tunnel face.

CHIEF PRICE CHANGES YESTERDAY

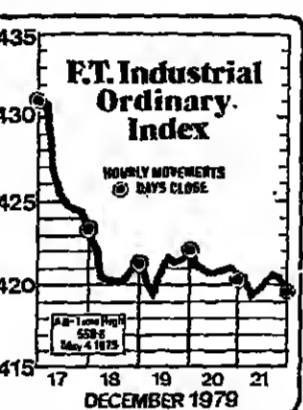
Table with columns for RISES and FALLS, listing various commodities and their price changes.

BUSINESS

Gilts firm; Gold up \$9

GILTS ended the week firm. Shorts gained 7c, most being put on between 1 and 1.5, and the Government Securities Index rose 0.15 to 65.46.

EQUITIES moved in a narrow range, and the FT 30-share



index fell 0.6 to 419.6 for a loss of 11.4 on the week.

GOLD rose \$9 in London to close at \$476.

STERLING closed 40 points higher at \$2,203.00, and its trade-weighted index was unchanged at 69.5. DOLLAR was slightly firmer and its index rose to 85.3 (85.1).

WALL STREET was 4.09 down at \$39.25 near the close.

Bankers warn on Chrysler

CHRYSLER'S bankers warned privately that they would not accept some features of the U.S. Government's rescue programme for the motor group, Back Page

CHASE MANHATTAN Bank moved quickly to deal with a slip-up in which the bank's Saudi Arabia office inadvertently led the Saudi royal family to believe Chase had downgraded the country's credit rating, Page 2

HONG KONG and Shanghai Banking Corporation is discussing a takeover of Aotony Gibbs, the small city merchant bank, Back Page

GROSS DOMESTIC PRODUCT figures show the volume of Government consumption in the first half of the year was 21 per cent higher than the 1978-79 average, Back Page

RETAIL sales this month are expected to top \$9bn—15 per cent more than last December's \$7.8bn, according to the Retail Consortium which represents the bulk of the trade, Page 3

INQUIRY into the powers of the Inland Revenue and Customs and Excise to enter offices and homes of executives whose companies are being investigated is being considered by Ministers, Back Page

NEE is expected soon to ask the Government for permission to go ahead with the second £25m development stage of its INMOS microchip subsidiary, Page 3

GOVERNMENT is to reorganise its Central Computer Agency and introduce savings to cut spending by about £40m over the next five years, Page 18

COMPANIES

EUROCANADIAN Shipholdings' divestment of its 18.6 per cent stake in Furness Withy does not fulfil Eurocanadian's undertaking to the Government in 1976, the Department of Trade said, Back Page and Lex

HOMFRAY, the Halifax-based carpet maker, announced restructuring plans which will mean the loss of 500 jobs, Page 3; Results, Page 14

COMBINED English Stores is acquiring M. Mercado, a carpet wholesaler and importer, of up to £5.4m, Page 14

Steel strike likely in New Year as talks break down

BY CHRISTIAN TYLER, LABOUR EDITOR

Negotiations to avert a national strike in the State steel industry failed last night, and it seems likely that the steelworks will stay closed after the Christmas and New Year holiday.

Representatives of the biggest steel union unanimously rejected a "self-financing" pay offer as unacceptable, and the British Steel Corporation said that the two sides were "a mile apart."

The breakdown was reported to the Government, which faces the first big industrial relations crisis of its eight-month administration.

British Steel said, and the Department of Industry confirmed last night, that Ministers have stayed well away from the negotiations so far.

The strike, set for January 2, would be the first national steel strike since the 1926 General Strike.

If it lasts more than a few weeks, it would begin to shut down major British industries, such as motor manufacturing, especially B.L. shipbuilding, construction, heavy engineering, and the prosperous canning industry.

Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said that, because so many other unions would be involved, the strike could "escalate into something pretty horrific in terms of confrontation with the Government."

According to Mr. Hector Smith, of the National Union of Blastfurnacemen, which decided yesterday to join the strike, the action could last "a very long time—possibly many weeks."

For safety reasons, blast furnaces will be damped down, but not shut down.

Dockers and transport workers are likely to support the action, and the National Union of Railwaymen has given a written pledge that its members will not move raw materials or cross picket lines.

The railmen will, however, move finished steel products already at terminals, and will not block imports for the private steelmakers.

Mr. Len Murray, TUC general secretary, hastened to BSC headquarters as the talks broke down, and spent a long time with both sides assessing the mood.

He will try to get talks going again because of the wide implications for large sections of the trade union movement in spite of the BSC's insistence

last night that it has no money with which to improve the offer. Mr. Murray is only too conscious that a major confrontation "is on the cards, and knows that once a traditionally moderate union such as the ISTC has the bit between its teeth, it can be very hard to stop."

A special meeting of the BSC Board is likely to be called in the next few days. Mr. Bob Scholey, chief executive, said: "I would have said we are a mile apart. We cannot conjure up fresh money; that's for a start." Circumstances were not likely to change.

"I think the whole thing is highly dangerous, and it could well emerge that the industry is even smaller than the 15m tonnes we are talking about."

The corporation has already announced this reduction in capacity to meet its cash limits, with the loss of 52,000 jobs by next August.

This has raised the threat of separate industrial action in the New Year, especially from South Wales miners, who stand to lose 15,000 jobs. The new offer put forward by Continued Back Page

Dockers support blacking; Shorten pay-offs, Page 3

£7m tax claim faces M & G

BY JOHN MOORE

M AND G GROUP, one of the biggest unit trust groups in the country, is facing a £7m claim from the Inland Revenue for possible unpaid tax liabilities.

The group's shares fell 43p to 133p after the directors had earlier halted dealings ahead of the announcement. At the end of the previous day's trading M and G was valued in the stockmarket at £15.6m. But last night the £7m was valued at £11.8m.

Because of the problems with the Revenue, major management changes have been made in the group, Mr. Edgar Palmountain, M and G's chairman, who once headed the Unit Trust Association, and Mr. Clive Fenn-Smith, the group's managing director, have resigned.

Mr. David Hopkinson, who has become managing director of the holding company, said yesterday: "There is one on the company's face which is presumably why my colleagues fell in their duty to resign."

The Revenue's move is because M and G may have acted outside the scope of Section 315 of the Income and Corporation Taxes Act, 1970. This lays down strict guidelines about the exemption of tax liabilities of foreign life assurance funds.

M and G said its scheme had involved the foreign life fund of M and G Endowment and Pensions Assurance Company, whose tax exempt status is now being contested. Endowment and Pensions, based in Chelmsford, Essex, had been writing foreign life assurance business by re-assuring business placed with it by a number of life assurance companies resident outside the UK.

The life assurance companies are Bermuda Fire and Marine, European Life and Pensions and its sister company European Life (Channel Islands), and the Life Association of Guernsey, M. J. G. Trust Assurance (Channel Islands) originated the scheme but stopped participating in 1970.

Mr. Andrew Caldecott, who is chairman of M and G and is also vice-chairman of Kleinwort Benson, said yesterday that the Revenue's attack could "very well have to do with a tougher attitude towards cracking down on tax evasion."

M and G is to make a substantial provision to prevent a deficiency arising in the foreign life fund of M and G Endowment. It is transferring £2m from reserves into the fund, while Kleinwort Benson, the merchant bankers, which holds 37.48 per cent of M and G's shares, has undertaken, if called upon before September 29, 1980, to pay up to £5m into the fund to prevent any deficiency.

Revenue powers probe and Lex—Back Page

Revenue powers probe and Lex—Back Page

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Revenue powers probe and Lex—Back Page



The Rhodesia peace signing at Lancaster House. U.K. in R.I. Dr. S. Mundawar, deputy leader of the Salisbury delegation; Bishop Abel Muzorewa, its leader; Lord Carrington, Foreign Secretary and conference chairman; Sir Ian Gilmore, Lord Privy Seal; Sir Joshua Nkomo (Zipra) and Mr. Robert Mugabe (Zusla), co-leaders of the Patriotic Front delegation.

Rhodesia agreements signed

BY BRIDGET BLOOM IN LONDON AND QUENTIN PEEL IN SALISBURY

THE Lancaster House Rhodesia Agreements, which signal the end of 11 years of rebellion in Rhodesia and seven years of bitter guerrilla war, were signed in London yesterday afternoon.

As the leaders of the three delegations to the now concluded 15-week Lancaster House talks put their names to the formal documents, Lord Soames, British Governor in Rhodesia, announced a general amnesty and lifted the ban on the political parties comprising the Patriotic Front.

The Lancaster House Agreements, some 100 pages of documents covering the independence constitution and arrangements for an interim government, elections, and a ceasefire, were signed in the white and gilt Long Gallery of Lancaster House in the presence of Mrs. Margaret Thatcher and the Ambassadors and High Commissioners of the U.S. and many African and Commonwealth states.

Lord Carrington, Foreign Secretary and conference chairman, who with Sir Ian Gilmore, his deputy, signed for Britain, declared his "strong sense of hope" that the signing of the Agreements by the Patriotic Front and Salisbury delegations would mean that "at the end of a bitter conflict lies the prospect of national reconciliation."

As if to emphasise that point, Mr. Joshua Nkomo and Mr. Robert Mugabe, joint leaders of the Patriotic Front, joined the leaders of the Salisbury delegation, Bishop Muzorewa and Dr. Silas Mudawara,

and Lord Carrington in a general handshake at the end of the short but highly public ceremony.

In contrast to the opening of the conference on September 10, when the Patriotic Front leaders rejected Britain's invitation on the grounds that they would not negotiate with the Salisbury "puppets," all delegation heads attended a reception after the ceremony.

The sober mood prevailed even at the reception, if only because all parties to the Agree-

ments are aware of the enormous obstacles to be overcome if they are to be successfully executed.

The ceasefire process was to begin at midnight last night with orders that cross-border raids by both sides must stop and that Rhodesian forces must begin to disengage. The ceasefire date is December 28 and all troops must be in their assigned positions on January 4.

Rhodesian forces should then be in prescribed bases, and the Continued Back Page

South Africa runs out of Krugerrands for sale

BY BERNARD SIMON IN JOHANNESBURG AND DAVID MARSH IN LONDON

SOUTH AFRICA has run out of Krugerrand gold coins to sell. Because of a sudden strong demand for the one-ounce coins, the country's Chamber of Mines said in Johannesburg yesterday that it will not be able to execute any further orders until the mint opens after the Christmas and New Year holidays.

Sales of the coins, which sell at a small premium over the price of gold, have reached a record 635,000 this month, mainly because of high demand in West Germany, where a value-added tax on gold coins is to be introduced on January 1.

The strength of the market has surprised the Chamber, since sales in October and the

first half of November were at their lowest for several years. Fewer than 100,000 coins were sold in October, while 399,000 were sold in November.

This month demand for gold coins generally has been buoyant, in line with sharply higher bullion prices, which reached a peak of nearly \$500 an ounce this week.

Table showing gold prices in New York for Dec 20 and Previous periods.

Offshore oil output to be raised

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is to increase North Sea oil production next year in an attempt to halt spiralling crude prices and ease pressure on a world supplies.

The Energy Department is to relax its restrictions on what natural gas so that Shell and Esso, linked as a leading offshore producer, can produce more oil from the big Brent Field, north-east of the Shetland Islands.

The move was made known as new North Sea forecasts showed that the average UK production level in 1980 might be more than 200,000 barrels a day lower than expected earlier this year. That drop in output, almost a tenth of original forecast levels, was expected to result in part at least from production restrictions at Brent.

Government officials were aware that its policies might be criticised by Britain's EEC partners, the U.S. and perhaps some moderate members of the Organisation of Petroleum

Exporting Countries (OPEC), especially Saudi Arabia, if reduced output was seen to be contributing to a tight world market.

The "hawks" at last week's OPEC meeting in Caracas, which failed to agree on pricing policies, have made clear that they will use a tight oil market in an attempt to force prices well over the \$30 a barrel mark.

Iran and Libya are leading the campaign; each is pressing for a basic reference price about \$34 to \$35 a barrel. Saudi Arabia, however, hopes that a slight glut in oil supplies—arising from maintained OPEC production, higher output from non-OPEC producers such as the UK, and dampened demand—will keep down the higher prices being asked.

Britain has emerged in a central role in the international market. Next year its North Sea production should average more than 1.5m barrels a day, putting it among the world's top dozen producers.

Three months ago the Energy Department told Shell and Esso to cut Brent's production by 8,000 barrels a day to a maximum of 100,000 h/d to reduce the amount of natural gas being flared and wasted.

Such gas is produced in association with the oil. The field's operators had in flare the gas into the atmosphere because the development of a gas pipeline and shore terminal had been delayed and the production platform facilities then lacked equipment to reinject the unwanted gas back into the reservoir.

The orders meant that Shell and Esso would flare 170m cubic feet a day, half the previous level.

Under the amended order, applied not to oil production levels but specifically to gas flaring, Shell and Esso are still restricted to 170m cubic feet a day of flared gas but have been told that for the next three months at least they can produce oil as fast as they like.

CONTENTS

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Where? Northampton middle england character prosperity & growth. for a straight answer contact Leslie Austin-Crowe BSc FRICS, Chief Estate Surveyor.

OVERSEAS NEWS

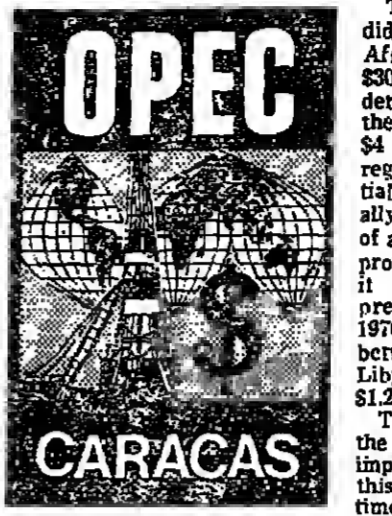
Kennedy assails Carter over OPEC rises

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON
SENATOR Edward Kennedy yesterday launched a frontal assault on the Carter Administration, accusing it of conniving at the latest round of oil price increases by the Organisation of Petroleum Exporting Countries.

AT THE close of the Organisation of Petroleum Exporting Countries (OPEC) conference in Caracas on Thursday, Mr. Ali Akbar Moftari, Iran's ebullient Minister of Oil, made the novel proposal that in future the producers' association should hold its proceedings in a stadium.

BY RICHARD JOHNS IN CARACAS

authority on Wednesday from his political masters in Riyadh to offer \$26.00.



reference for Arabian Light, traditionally the "marker" crude to which the prices of other varieties are related.

less on jealousy than on a recognition of long-term market realities and the fact that no unified price structure could endure if it did not take relative values into account.

Japan's economy expected to grow 4.8% next year

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO
JAPAN'S economy will grow by 4.8 per cent in real terms during fiscal year 1980 (April 1980 to March 1981) according to the Japanese Government agency concerned with economic planning forecasts.



Pol Pot: to lead guerrillas

Pol Pot replaced as Premier

KAMPUCHEA's ousted Khmer Rouge regime was yesterday reported to be removing Pol Pot from the Premiership in a bid to win international favour.

U.S. economy continues to expand

BY OUR U.S. EDITOR IN WASHINGTON

IN SPITE of the ravages of inflation and apparent changes in the business cycle, the U.S. economy is continuing to expand in real terms, a confidential Government report suggests.

the increase was accounted for by higher housing costs. The great majority of American home-owners, unlike their British counterparts, enjoy fixed interest mortgages.

OFFER CLOSES 31 DECEMBER 1979

One-Year Income Bond advertisement with 17.60% interest rate and application form details.

Blame shared for DC-10 crash

BY STEWART FLEMING IN NEW YORK

AMERICA'S National Transportation Safety Board, which is investigating crashes with increasing frequency, has decided that American Airlines must shoulder most of the blame for the worst domestic air crash in U.S. history in Chicago last May.

There were initially disagreements between the five members on how to apportion blame. In its final ruling, the Board said that the probable cause of the crash was separation of the engine from the aircraft.

Split over Spain's new labour law

By Robert Graham in Madrid

SHARP DIVISIONS between the Socialist and Communist parties over Spain's new labour law have seriously damaged relations between the two parties, and short-term prospects for trade union unity.

Iran suffers setbacks in courts

BY OUR FOREIGN STAFF

IRAN suffered a number of setbacks in European courts yesterday in its attempt to retain control of its foreign assets. The verdicts indicated that international legal opinion is strengthening in favour of court action arising out of President Jimmy Carter's freeze on Iranian holdings in U.S. banks.

Atomic Energy Agency and the French State. Yesterday's judgments may well deter the Iranian authorities from proceeding with a wide range of other legal actions in U.S. and European courts.

IMPORTANT ANNOUNCEMENT TO ALL USERS OF HEATING OILS FROM HOME TO FACTORY advertisement.

Czechs lose appeals

THE Czechoslovak Supreme Court yesterday rejected appeals by six members of the Charter 77 civil rights movement and confirmed sentences totaling 15 years imposed in October on charges of subversion against the State, Anthony Robinson reports.

New S. Korea president

Mr. Sboi Kyu-hah, 60, sworn in yesterday as South Korea's fourth President following the assassination of President Park two months ago, declared that his "interim" Government will revise the constitution and restore democratic institutions by 1981, our Seoul correspondent reports.

Ceasefire enlivens Rhodesia Stock Exchange

BY QUENTIN PEEL IN SALISBURY

THE RHODESIAN ceasefire agreement has been met in the Salisbury Stock Exchange with an unprecedented burst of activity. In spite of widespread scepticism in the white Rhodesian community, which dominates business here, over the durability of the pact reached in London, turnover on the Rhodesian stock exchange has broken all records during the past week.

Another source of recent London buying may have come from Rhodesian residents, according to Mr. Pooley. They have had investments on the London Stock Exchange unblocked for the first time since the unilateral declaration of independence in 1965 and the only way they can bring their money back to Rhodesia is by buying Rhodesian shares being traded in London.

There is a lot of fear that during the election campaign the Patriotic Front will be making all sorts of promises of nationalisation. You can expect to see the market come off on the odd spine-chilling statement that is going to be made.



King Khalid: a basty reassurance

Slip by Chase in Saudi relations

By Duncan Campbell-Smith, London, and James Hutchings-Jones

CHASE MANHATTAN Bank moved quickly to deal with an embarrassing slip-up in its relationship with Saudi Arabia.

In an extraordinary move under a rating agency, Chase regional office for Saudi Arabia, which is located in Bahrain, inadvertently let senior members of the Saudi royal family to believe the Chase had downgraded its credit rating for the country.

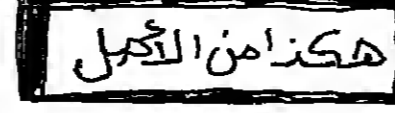
Iranian assets held in U.S. banks

Iranian assets held in U.S. banks, rumours have circulated widely in Jeddah and Riyadh about the attitude of Chase and other major New York banks towards Saudi Arabia.

The misunderstanding followed

an approach to Chase's Saudi office by the NCB, based in Jeddah, and the kingdom's largest commercial bank. NCB requested quotations for deposits and short-term loans.

FFI TERM DEPOSITS advertisement with interest rate table and contact information.



UK NEWS

Christmas spending could set record

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RETAILERS' HOPES OF a record Christmas spending spree by consumers look likely to be achieved in spite of early fears of a gloomy level of sales. Retailers throughout the country yesterday reported that the sales surge which started in most areas two weeks ago has continued in the past few days. The pattern of sales, however, is more confused than in recent years. Many clothing and footwear retailers have been badly hit by a fall in demand, mainly due to the recent warm spell. In addition there is a feeling within the trade that the merchandise is over-priced and not in tune with the fashions really wanted by consumers. A number of these retailers have been forced into offering pre-Christmas price cuts—which is virtually without precedent in the retail sector. But other sections of the retail trade have had an above-average Christmas for sales. The Retail Consortium, which represents the bulk of the trade, said last night that it expected sales this month to achieve a 15 per cent increase in value over the buoyant sales of December last year. The December 1978, total for the retail trade was £7.8bn, and the consortium expects the December total this year to top £9bn. Mr. Richard Weir, director of the consortium, said that he expected the volume of retail trade in December to be some 2 to 3 per cent higher than last year.

More Home News on page 18

At the end of last week, show that sales were 18.1 per cent higher than in the same period last year. This was slightly above the estimated target of an 18.1 per cent increase, although the cumulative total for the past 20 weeks is only 16.6 per cent up. But while middle-class shoppers have been worried about rising interest rates, consumers without heavy financial commitments have been boosting the sales of the more down-market multiple chains. British Homes Stores and Dixons Photographs, for example have both had a good pre-Christmas sales. Rumbelows, the electrical goods chain with branches throughout the country, reports that sales in the past few days have been about the same. Mr. David Johnson, the company's chief executive, says that higher priced goods like video recorders, portable televisions, and television games have been selling better than anticipated in the past week or so. Tesco, the supermarket chain, also reports record sales so far this Christmas. "All departments in our 550 stores are enjoying record sales," said Mr. Ian MacLaurin, the managing director, last night. "Last year we sold over 1m turkeys and to cope with the huge demand this year we started selling them at the Christmas promotional price as early as October."

Mr. Weir suggested that the problems faced by some retailers reflected the concern among middle-class shoppers about rising costs of mortgages and bank overdrafts. This was making them more cautious in their buying habits and seeking better value for money. This view was endorsed by the John Lewis Partnership, which has 18 department stores throughout the country. "All the evidence so far shows a very practical approach to present buying," it says. Latest figures for its department stores, up to the end of last week, show that sales were 18.1 per cent higher than in the same period last year. This was slightly above the estimated target of an 18.1 per cent increase, although the cumulative total for the past 20 weeks is only 16.6 per cent up. But while middle-class shoppers have been worried about rising interest rates, consumers without heavy financial commitments have been boosting the sales of the more down-market multiple chains. British Homes Stores and Dixons Photographs, for example have both had a good pre-Christmas sales. Rumbelows, the electrical goods chain with branches throughout the country, reports that sales in the past few days have been about the same. Mr. David Johnson, the company's chief executive, says that higher priced goods like video recorders, portable televisions, and television games have been selling better than anticipated in the past week or so. Tesco, the supermarket chain, also reports record sales so far this Christmas. "All departments in our 550 stores are enjoying record sales," said Mr. Ian MacLaurin, the managing director, last night. "Last year we sold over 1m turkeys and to cope with the huge demand this year we started selling them at the Christmas promotional price as early as October."

NEB's microchip subsidiary asks for £25m go-ahead

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE National Enterprise Board is expected to ask the Government soon for permission to go ahead with the second £25m stage of its INMOS microchip subsidiary. The NEB's new Board members yesterday also backed Sir Arthur Kojib in his campaign to persuade Sir Keith Joseph to amend the Board's draft guidelines to give it more freedom from Ministerial control. Sir Keith, one of the first major critics of Sir Keith's continued backing for the NEB to emerge from a back-bench Conservative MP since the election was delivered yesterday. Mr. Michael Grylls (MP for Surrey NW) who is a leading critic of the NEB, condemned the Government for allowing the NEB to spend £220m—including £180m on BL and Rolls-Royce—since the general election.

Sharp rise in British TV sales

By Elaine Williams

SALES OF British-made colour television sets rose sharply in October, with a 40 per cent rise over the previous year. Deliveries of U.K. colour sets totalled 136,000 in October bringing the total for the year until then to 1,047,000, according to British Radio Equipment Manufacturers Association figures. The association says that sales are 7 per cent ahead of last year, and there is the encouraging sign that the growth in UK production of the popular small screen size means that an increasing proportion of this segment of the market is being taken up by UK manufacturers' sets. Small black-and-white television sets are still popular. UK deliveries total 518,000 up to October, which the association says is more than 95 per cent of the 1978 total. Imports are also running ahead of last year with 565,000 so far compared with 430,000 last year. Sales are also high—29 per cent above 1978 levels.

Carpet manufacturer halves its staff after loss of £1.08m

BY RHYS DAVID, TEXTILES CORRESPONDENT

HOMFRAY, THE Halifax-based carpet maker, is to halve its workforce in 1980. It announced reconstruction plans yesterday necessitated by the UK carpet industry crisis. The company, a leading volume carpet producer, lost £1.08m before tax in the year ended September 30 on sales of £39.4m, compared with £1.05m profit on sales of £40m the previous year. Cuts will mainly affect the group's woven carpet factory in Sowerby Bridge, where spinning and weaving units will close. Three uneconomic coloration plants at Batley will also be closed and production concentrated on new, fast rotary printing, designed to be commissioned next March. Mr. George Haigh, company treasurer, said last night that demand had continued poor in the year and the group had lost £1.08m before tax and had excess capacity. The losses stemmed from high sterling exchange rates and competition from cheap U.S. exports. Stocks of finished carpets had been reduced in the year but selling to retailers had proved costly. The group believes that market conditions are likely to remain difficult and predicts a further loss in the first six months of this year. All expenditure associated with severance payments and plant closures had been taken into account in the last financial year, however, and the directors hope to be operating profitably by the second half. The group hopes that cost cuts and new plant will enable it to compete successfully in the volume end of the world market. Capacity is not being cut and capital spending of more than £2m is in progress, including a second new polypropylene foam backing line for which several advantages over conventional latex foam are claimed. The Sowerby Bridge closures will take Homfray further away from the woven area, which is likely to account for only a fifth of its output. Labour costs there were high. Mr. Haigh indicated and Homfray would continue instead to develop tufting. The company will still make woven rugs and squares. It expects prospects generally in UK carpets to improve from 1981, with the ending of over-capacity in the UK and a reduction in some of the U.S. producers' competitive edge. Employment in carpets has fallen from 48,000 in 1973 to 32,000 in the middle of this year. Last month, Associated Weavers, the industry's biggest producer of tufted carpets, announced that it was phasing out production altogether with the loss of more than 1,000 jobs.

BA fuel bill hits profit forecast

By Michael Donne, Aerospace Correspondent

THE OUTLOOK for British Airways' finances in 1980 is "poor", with soaring fuel prices cutting into the airline's profit forecasts. Mr. Roy Watts, chief executive, says in the latest issue of the airline's staff newspaper that BA has already announced the withdrawal of many of its older, less fuel-efficient aircraft and "if fuel costs continue to climb, we may have to speed up that process." While the airline has carried a record volume of business this year—about 15 per cent ahead of last year—costs have continued to rise rapidly, and the airline still has much to do to make itself "a simpler, leaner, faster-on-the-foot organisation." But among the bright spots of 1979 has been the Concorde, which has made "a respectable £5m surplus" on the New York route to set against losses on other routes to Washington and Singapore. The airline plans to start new routes in 1980. "In the Far East we shall serve Peking and Manila, and we hope to operate to Jakarta and Seoul."

LABOUR

Dockers support renewed blacking

BY RAY PERMAN AND ROBIN REEVES

DOCKERS AT Newport, Gwent, yesterday agreed to the plea from Welsh miners' leaders to resume blacking of U.S. coking coal shipments destined for the British Steel Corporation's Llanwern steel works. The dispute could also affect British Steel's Hunterston ore terminal, opened only a month ago after a six-month inter-union argument. The decision by Newport dockers followed approval of the miners' action at a Wales TUC meeting of all unions involved earlier in the day. It will prevent the bulk carrier "Casparia", which is due to arrive on Christmas Eve, with a cargo of 20,000 tonnes of U.S. coking coal, from being discharged. Another 20,000 tonnes shipment, aboard the "Aireus", is scheduled to arrive shortly after Christmas. Yesterday's move was not backed by members of the National Union of Railwaymen who operate the lock gates, who said it should be sorted out at national level. This suggests that, unlike the "Maria Lemos" three weeks ago, the ships may enter the port, though union members are understood to be supporting the blacking. The miners' move follows the Government's refusal to introduce a coking coal subsidy to discourage BSC from stepping up its foreign purchases at the expense of domestically-produced coal, taking advantage of the £10 a tonne lower world market price for coking coal. The NCB has warned that BSC's switch to imports will lead to major pit closures and redundancies in South Wales and elsewhere. The miners' union is watching the situation at Hunterston and has been liaising with steel and dockers' unions through the Scottish TUC. The issue is to be considered by the TUC nationalised industry committee on January 4 and by the national executive of the NCB early in the new year. The Steel Corporation gave wide publicity to unloading of the first iron ore carrier at the terminal, on the Lower Clyde, but has made no official announcement about the terminal's use. Supplying coking coal for the modernised Ravenscraig steel works at Motherwell. The vessel, the 127,000 tonne Liberton-registered Orea Miner, has already delivered the first imports of Australian coal to the terminal and other ships are expected early in the new year as the Steel Corporation transfer imports to Hunterston from Rothesay Dock, Glasgow, which cannot accept large bulk carriers. British Steel claims that the use of Hunterston for coal is merely an extension of the existing policy, which has not been opposed by the NCB, but the union says that the issue of imports had to be considered on a UK scale and not regionally. The Scottish area of the NCB has promised full support for other miners and is pressing, with South Wales and Kent, for a national conference on coal imports.

£65m pay-offs agreed for Shotton workers

BY ROBIN REEVES, WELSH CORRESPONDENT

RECORD redundancy payments totalling £65m were agreed early yesterday to bring about early closure of iron and steel-making at the British Steel Corporation Shotton Works, Deeside, North Wales, with 6,320 redundancies. Severance payments from £22,000 for long-service employees to £4,000 for the most recent arrivals, were agreed after 12 hours' negotiations at Shotton. The average golden handshake will be around £10,000. Some £37m of the cost will be met by BSC itself. The rest will come from Government and EEC sources. The first 800 men are due to leave on January 18, and the rest by the end of March. Mr. Peter Allen, BSC Welsh division managing director, hinted that several hundred more redundancies could be added to the total from among the 4,229 due to stay on in the finishing-coatings complex, recently modernised at a cost of £45m. BSC's overall crisis package is to cut workforce by 52,000 to 100,000 in the next few months. Yesterday's deal is based on 50 weeks' wages and 10 weeks' holiday pay to compensate for BSC's 1977 pledge to maintain steelmaking at Shotton until at least 1982. It is in addition to normal BSC redundancy terms, 50 per cent above the statutory requirement. BSC conceded a union demand to maintain Shotton's hot strip rolling mill on a car-and-maintenance basis. The decision will be reviewed in a year. The other steelworkers threatened with redundancy under the cuts are unlikely to receive as generous compensation as their plants have never been subject to notification-of-closure dates.

Settlement at Texaco

TANKER drivers and depot workers at Texaco have accepted a pay offer which the company says will increase average earnings by just over 2 1/2 per cent. This will increase the prospects of settlements at other oil companies based on their existing offers which are broadly in line with the Texaco settlement. Similar offers have been rejected at some companies, including Esso, where drivers are uprating an overtime ban. This suggests that these companies will have to make some changes in the way they are structuring their proposals. Texaco offer involves an increase of 18 per cent on basic rates together with a further 2 per cent on other payments and a £150 lump sum.

Agency journalists fail in Fleet Street parity bid

MEMBERS of the National Union of Journalists employed by the Press Association—Britain's national news agency—yesterday failed in a bid to achieve pay parity with national newspaper journalists in Fleet Street. The General Arbitration Committee decided that the journalists' claim under schedule 11 of the 1975 Employment Act was "not well-founded." The union had contended that the average salary for a PA journalist was £7,752, compared with an average on national newspapers of between £8,350-£11,300. In its reserved decision published yesterday the committee said the issue was whether the PA was linked with newspapers in a single section of a trade or industry. But the primary product of a news agency was the news itself, while that of a newspaper company was the newspaper. "We think that the two products differ. The high reputation of the Press Association derives from the accuracy and impartiality of its reports," said the committee. "A newspaper, on the other hand, is a mixture of fact and opinion, comment, advertisement and a mass of other material. It deliberately cultivates a style to appeal to a certain market."

'Scandal' says Jenkin

MR. PATRICK JENKIN, Social Services Secretary, has described as "scandalous" industrial action by the Association of Scientific, Technical and Managerial Staffs in the blood transfusion and pathology services and warned there was some risk to patients' safety. The union has imposed a strict roster working rule since November 1, slowing down the allocation of work in the emergency services. The 18,000 medical laboratory technicians involved have been asked by the union if they want to step up the action. The dispute is over increases in home and call out allowances. The technicians want at home allowances on call to be increased from £3 to £10 and call out allowances from £4.55 to £7.50.

Agency planned to vet health service buying

BY DAVID FISHLOCK, SCIENCE EDITOR

A CENTRAL procurement agency for National Health Service purchases is to be set up in the New Year. Mr. Patrick Jenkins, Secretary of State for Health, told MPs yesterday. He said in a Parliamentary written answer that he planned to set up a supply council as a special health authority. The health service spends more than £1bn a year on equipment and supplies other than medicines. The supply council will comprise 12 people of whom only three—the chairman, an official from the Department of Health and Social Security, and a representative of the health-care industry—will be drawn from outside the NHS. It is understood that the supply council will be required from the outset to help to develop an innovative and export-orientated industry.

Caleb Brett settlement ends winding-up case

THE WINDING-UP petition of Caleb Brett and Son, its car and inspection subsidiary of the Esperanza trading and transport group, was dismissed in the Companies Court yesterday after the settlement of a £2.1m (nearly £1m) damages claim. The money has been paid to the U.S.-controlled International Petroleum Refining and Supply (IPRS) after Caleb Brett lost its appeal against the claim in the Court of Appeal this week. Previously, Esperanza said it would not go to the aid of Caleb Brett after IPRS—controlled by Hamilton Brothers Oil—had successfully sued because a 36,000 tonne oil cargo arrived in a largely solidified state in Japan nearly four years ago.

BRITONS LEAD WORLD IN LIKING CRACKERS AND THEIR BAD JOKES

Tom Smith's idea grows into a £20m snap

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THIS CHRISTMAS about 90m Christmas crackers will be pulled during the seasonal festivities, or about two crackers for every man, woman and child in the UK. Few consumer products have as concentrated a selling—and use—period as Christmas crackers. Virtually all crackers sold are bought in the last two to three months of the year, but used only in the days spanning Christmas and the New Year. However, the main four cracker manufacturers, whose total output is valued at almost £20m at retail prices, work all year round to meet the demand at Christmas. Since the third week in October, for example, the largest cracker manufacturer—the Norwich-based Tom Smith company—has been busy producing crackers for sale at Christmas 1980. Tom Smith is the largest cracker manufacturer in the world and the UK is, not surprisingly, the largest market. Christmas crackers have spread to Commonwealth countries such as Canada, Australia and New Zealand and to Northern Europe, especially Denmark, but nowhere else in the world is there the same in-built tradition of pulling a paper cracker at Christmas—complete with snap, paper hat, novelty and awful joke. Yet although the inventor of the modern Christmas cracker is generally thought to be a 19th century London baker and confectioner called Tom Smith, the origin and subsequent development of the cracker were aided by the French and Germans. In 1847, so the story goes, Tom Smith had visited Paris and noticed that the local confectionery was sold wrapped in coloured paper with the ends twisted round. As a confectioner in London, Tom Smith usually sold sugar almonds either unwrapped or loose in a paper bag. But, copying the French idea, he began to sell the almonds wrapped in coloured paper.

The idea of providing a "snap" for his gifts. It seems likely that the successful formula for the snap—a tiny explosion caused by pulling two pieces of treated paper apart—was imported from German fireworks makers towards the end of last century. The distinctive crack soon earned the wrapped gifts the term cracker. The popularity of crackers at Christmas, apart from the fact that this was the main festive season in the year, was probably due to the fact that most crackers were still made by confectioners. During the summer months, when the warm weather posed problems for confectionery manufacturers, confectioners would switch production to crackers for Christmas. The popularity of the new crackers soon caught on towards the end of the nineteenth century, and even became "respectable" with special designs produced by such famous companies as Josiah Wedgwood and Sons.

Stabilised

At around the turn of the century there were about 30 cracker manufacturers and development had stabilised. For the next 30 years crackers at Christmas became firmly established as part of the festivities. But it was at the end of the Second World War, when there were still about 15 different cracker manufacturers, that the next major shift in the industry occurred. The end of rationing for confectionery meant a sharp release of pent-up demand. Since the cracker makers were still primarily confectioners, they invariably switched production capacity to meet the demand. Crackers, which were only a seasonal part of their activities, were left out in the cold. This led to a great deal of rationalisation by cracker manufacturers, including Rowntree Macintosh

Top puns

A typical box of 10 crackers selling at £1.50 in the shops will, after allowing for VAT and retailer's mark-up, represent a true cost to the manufacturer of only 10p per cracker. The average value of the contents is about a third of the purchase price, although for cheaper crackers this percentage falls while at the top end (selling for over £3.00) the value is higher. Tom Smith uses a panel of its management to sort through thousands of jokes it accumulates each year to identify the best 24 which are used that year. Apart from the fact that people expect bad puns in crackers, the selection of jokes and riddles has carefully to ensure that no potential customer can be offended. Although the size of crackers in recent years has begun to shrink—invariably because of rising costs—the largest cracker ever made (according to the Guinness Book of Records) was 45 feet long and eight feet in diameter. It was built for BBC television's "Comedy Breakers" show on December 27, 1974.

'Clacking' move

The Motor Agents' Association and the Scottish Motor Trade Association yesterday called for the registration of all car dealers to deal with the practice of "clacking"—the tampering of mileage readings.

Cause of air crashes

The Government is to make a statement in the Commons on the publication of information about the causes of military flying accidents. Defence Under-Secretary Geoffrey Pattle said yesterday. This year 24 fixed-wing aircraft have been lost or damaged beyond repair.

Planning plea

Government proposals to allow exploratory mining without planning control will deny local authorities the power to stop large areas of surface land being stripped, the National Housing and Town Planning Council has said.

Cost of students

The cost of providing courses for the 4,300 Iranian students in higher education in this country last year was about £1.4m, Education Under-Secretary Dr. Rhodes Boyson said yesterday in a Commons written reply.

Valve maker closes

NEARLY 120 jobs are to be lost in Glasgow in the closure, announced yesterday, of Weir Pacific Valves, a Weir Group subsidiary, which makes specialist steel valves.

THE WEEK IN THE MARKETS

Quietly down the hill

THE EXCITEMENT generated in the stock market at the end of last week turned out to be less well grounded than had at first appeared. There was some nibbling at the long tap, Treasury 14 per cent 1998/2001 at 160 1/2, but nothing like enough to buy out the Government Broker, who probably still holds around £500m nominal. And equities failed to find any follow-through buying, which meant that the FT 30-Share Index lost most of last week's gains on Monday alone.

One of the problems for equities was that the National Enterprise Board took advantage of the firm conditions in the market for ICL shares to place the Government's 25 per cent shareholding in that company. This netted £38m to the Exchequer, but did the market as a whole no good at all; since then it has traded quietly down towards Christmas.

Off the float

Northern Foods and Unigate, which both reported this week, are following parallel lines of development away from the milk businesses which provide their staple earnings. Both companies are trying to reduce dependence on this source for all the cash-generating qualities of liquid milk, there is a little room for growth in the business once it is being run as efficiently as possible. And being squeezed, politically speaking, between farmers and consumers is not always very comfortable.

Northern is further along the road of redeployment. It has pursued an aggressive, and on the whole very successful, strategy of acquisitions. After a flirtation with the brewery sector, it now seems to have settled on cooked meat as the major interest to counter-balance milk. It has followed up the acquisition of Pork Farms in the UK with the pur-

chase of Bluebird Inc. the biggest U.S. ham producer.

Unigate, one stage behind, has recently completed the sale of most of its creameries to the Milk Marketing Board. The MMB's payments so far leave £28m of net cash in Unigate's balance sheet, and the group is clearly in a position to make a major acquisition. All it has done so far is to agree to buy the Telfers meat business which Lyons brought into the Allied Breweries group, but this will only cost some £9m.

LONDON ONLOOKER

Unigate is in no hurry to append with a recession approaching and interest rates at record levels, rash is a comfortable thing to hold. This week it produced interim profits up from £15.1m to £18.3m, while Northern's full-year figure emerged at £25.5m against £22.4m. In the current year both companies could earn about 12p a share, fully-taxed, and both shares stand at around 110p. Unigate's generosity with its interim dividend gives it the edge in yield terms, but the question of how it will spend its cash introduces a factor of uncertainty.

Marsh gas

This year's Christmas party at C.T. Bowring may have been tamer than most. News that Marsh and McLennan of the U.S. was contemplating a formal takeover bid for the British insurance broking group inspired little festive cheer on the Bowring board.

The UK company said it had recently concluded that any structure acceptable to Marsh and McLennan could be regarded as in the best interests of the shareholders of Bowring. The group's bitterness

at the approach is understandable. The two companies have a business association dating from 1907 and it was Bowring which initiated talks with Marsh in June last year to explore the possibility of linking resources and pooling profits.

The plans were disclosed in September 1978 and caused enough of a stir in the insurance community to spawn a brood of imitators. It subsequently became clear to Bowring, however, that the U.S. broker envisaged more a controlling interest than a merger of resources, and even though Bowring had taken on extra staff to accommodate the anticipated increase in business, talks broke down.

The clear opposition of the Bowring board is not the only obstacle for Marsh to overcome. The financial burden of an acquisition would be punitive, even for a group which claims to be the world's largest insurance broker with net profits for the first nine months of this year of \$27.7m on revenues of \$398.5m. The purchase would probably cost Marsh over £200m or close to half its own capitalisation. Aside from the problem of swallowing such a large fish, Marsh will come face to face with the Lloyd's of London ruling that insurance interests outside its own market should not normally hold more than 20 per cent of a Lloyd's Broker. Marsh has unsuccessfully confronted this regulation before, so its abortive attempt to acquire the whole of Wingham Poland, it is clear to Lloyd's, however, that alienating U.S. brokers could prove counter-productive by stimulating the growth of the fledgling New York Insurance Exchange. The venerable London institution is nicely poised on the horns of a dilemma.

Becham was in high spirits this week fielding questions over the telephone from New York about his latest deals to extricate Dunbee-Combe-Marx from direct involvement in the company's burdensome U.S. activities.

For over 12 months he has been under intense pressure to find a way to stem the losses from the Louis Marx subsidiary, a deficit compounded by the hasty integration into the group of the Aurora acquisition. To date U.S. losses have probably approached £10m.

He first announced that the group was selling half of Louis Marx's product lines to Empire of Carolina, a U.S.-quoted toy maker which is also DCM's single biggest competitor across the North Atlantic. In return, DCM will get a 25 per cent equity stake in Empire and Boardroom representation.

The share offer is worth around \$3.5m to DCM for which Empire gets annual sales of roughly \$30m to double its own group turnover.

Twenty four hours later Mr. Becham announced the second part of his rescue package. The sale and distribution of Aurora's AFX road racing system and a new line of electric trains will be taken over by Leisure Dynamics Inc., another quoted toy company, while production will be carried out in DCM factories in Singapore and Hong Kong.

Payment to DCM will be on a royalty basis linked to U.S. inflation. The twin deals should mean that the retained Louis Marx interests in the U.S. should now all be profitable.

Mr. Meecham, DCM's joint managing director, admits that the company's excursion into the U.S. has been an expensive experience. He says there will be certain heavy write-offs in connection with the U.S. investments, but more importantly, "we have now got rid of the

canter." For shareholders, the news could not be a better Christmas present.

Nuclear blues

After 10 years of nuclear muddle, it would have taken a hardened optimist to hope that this week's Government statement on nuclear power would introduce a clear-cut policy. In spite of the announcement of a substantial 10-year building programme, the UK power plant construction industry is still in the dark over what its forward planning should be.

The Government expects a total of 15,000 megawatts of nuclear capacity to be ordered between 1982 and 1992, costing £10-£12bn. This is rather more than one big station a year. At the same time it announces that given the necessary consents—the next station to be ordered would be a U.S.-style pressurised water reactor (PWR), in contrast to the British-designed advanced gas-cooled reactor (AGR), although construction of two of these will continue to go ahead.

The Government gave away no clues as to which technology would be specified in the main programme. The UK companies have invested heavily in AGR manufacturing capacity, and if the whole of the programme were for AGRs, the industry would be working near capacity.

If PWRs are chosen, foreign companies would obtain the orders for the gas of the reactor and the pressure vessels. Leading companies like Babcock out in the cold, although UK civil engineers and turbine manufacturers like GEC could gain the non-nuclear part of the contract.

It would take at least four years and considerable investment from the UK companies to put in PWR capacity, and they are unlikely to invest without firm contracts, while Government cash can be ruled out in the present political climate.

The Government cannot argue that it is delaying its decision in order to assess how the first PWR operates. This is unlikely to be finished until the 1980s, when the 10-year programme will be completed anyway.

At the heart of that lack of confidence was anxiety created by the spreading effects of the troubles in Iran, pressure on the U.S. dollar and resultant pressure on U.S. inflation, which is now uncomfortably pegged in double digits for what most economists regard as the foreseeable future.

But the underlying message of any commentary on forecasts must be that they are best avoided by all except those with a thick hide. It is even impossible to forecast what will happen in the next seven days on stock exchanges whose activities will be interrupted by seasonal festivities.

The almanacs and gazettes remind us that Wall Street has enjoyed a Santa Claus rally in the six days spread over between the old and new years on all except five occasions in the last 27 years.

Pessimists note that Santa's inclination to keep his nose out has, however, been more marked in recent times. Two of those five missing visits were in the last three years.

The statistical significance of this unlikely bit of analysis, that on most of the occasions when the year end rally has failed to materialise, Wall Street has found the new year turned out to be one of strong market retreat.

So my Christmas message is: If you see Santa getting out of stocks in the next week, follow him. His forecast is likely to be as good as anyone else's.

Out of toytown

An exhausted Richard

The sages... do they know their onions?

TODAY'S DEPRESSED stock market apparently discounts lots of bad news. Historically, periods with stocks selling at low price earnings multiples and at discounts from book value have been the precursors of bull markets. That's what we expect over the coming three to five years."

Thus are the Wall Street sages rolling out their year-end wisdom once again. The quotation here comes from the Value Line Investment Survey, one of Wall Street's most popular and influential investment guidance services, but it could have come from any of a hundred sources.

NEW YORK

IAN HARGREAVES

It is not the act of a gentleman to turn back the pages and remind ourselves what the same sages were saying a year ago or three years ago, but at the risk of spoiling everyone's Christmas it is a necessary precaution.

Value Line, again singled out because it is typical rather than exceptional, was telling its readers a year ago that stock prices were at levels comparable to past market bottoms and that "barring some unforeseen catastrophe" investors would start shortly to bring rational forces to bear on the market.

Really sticking its neck out, Value Line stoutly announced that it was standing by its forecast that the Dow Jones Industrial average would probably be around 1,500 to 2,000 in the early 1980s. Although a five-year-old forecast that the 1,500 mark would be reached by the end of the decade was, bashfully, withdrawn on Thursday when the Dow Jones closed at 843.4.

To maintain the historical perspective, it is now no less than 13 years since the Dow hit 1,000 for the first time and ever since then it has struggled to even repeat the performance, let alone surpass it.

In fairness to the Wall Street analysts, it must be said that the crooked focus of their forecasting lenses has been shared this year by almost every professional with an eye on the U.S. economy. Indeed, the descriptions of the economic scenario published a year ago are in many cases remarkably similar to those available in today's newspapers.

Even on Wall Street's blackest day this year, October 8 when the market dropped like a stone in the wake of a stiff monetary belt tightening exercise by the Federal Reserve, the shares of Exxon gained a fraction.

This is the principal reason for the disparity of the various indices shown in the table. The higher flyer, the American Stock Exchange Index, has coasted to a new peak of 2,492.45 composed 35 per cent of energy stocks.

The Dow, loaded down with cyclically weak performers (such as steel and car companies) and faded blue chips (IBM, which posted a succession of declining quarterly earnings figures, and Goodyear Tyre and Rubber, which struggled with a shot-on-market) found it hard to carry the burden of higher than average exposure to general market sentiment about the future of the world economy.

If oils provided the market with its only consistent boost factor they only produced the years' most dramatic takeover, with the record \$3.65bn Shell Beldridge Oil deal. There were

THE U.S. INDICES

Our table shows the value of each index at December 25, 1978, index at the close of business on Wednesday and the percentage change between the two.

	Dec. 25, 1978	1978	% change
Dow Jones Industrial Average	843.4	897.7	sp 12.83
New York Stock Exchange Composite	2322.12	2068.28	sp 15.63
Standard and Poors 500 Index	150.56	241.85	sp 60.83
American SE Market Value Index	177.98	149.65	sp 19.94

Source: Imaginative Data Corporation

hundreds, more smaller deals however, especially in the first nine months of the year, and these provided most of the local impetus in the market.

Other sectors, such as airlines, engineering—and most recently defence-related stocks—had their moments of glory, but were not between them able to overcome the overwhelming impression that 1979 was another year in which the U.S. investment community withheld its confidence and its money from stocks.

At the heart of that lack of confidence was anxiety created by the spreading effects of the troubles in Iran, pressure on the U.S. dollar and resultant pressure on U.S. inflation, which is now uncomfortably pegged in double digits for what most economists regard as the foreseeable future.

But the underlying message of any commentary on forecasts must be that they are best avoided by all except those with a thick hide. It is even impossible to forecast what will happen in the next seven days on stock exchanges whose activities will be interrupted by seasonal festivities.

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MARKET HIGHLIGHTS OF THE WEEK

	Price	Change on	1979	1979
	Y'day	Week	High	Low
F.T. Ind. Ord. Index	4194	-11.4	5384	4063
F.T. Gold Mines Index	255.6	-10.8	274.8	129.9
Ashon Mining	143	+20	143	64
B.E.T. Defd.	115	+11	145	96
Bowring (C. T.)	126	+17	148	98
BP	244	-24	406	220 1/2
Dunbee-Combe-Marx	34	+7	92	25
Ferranti	405	+38	430	320
Hawkins & Tipson	34	-8	72	34
ICL	463	-17	545	398
Lawrence Scott	57	-7	102	51
Lesney	37	-5	89	37
Lorrho	84	+9	90	62
Monk (A.)	31	-12	78	29
Negretti & Zambra	37	-9	86	37
Oakbridge	188	+25	190	76
Racal Elect.	187	-24	276	168 1/2
Scottish & Newcastle	62	-5 1/2	77	55
Utd. Carriers	139	+14	154	90
Zambia Copper	47	+10	54	9

U.K. INDICES

BEST AND WORST PERFORMING STOCKS IN FOUR WEEKS FROM NOVEMBER 29

	% change
Discount Houses	+9.4
Insurance Brokers	+8.3
Hire Purchase	+8.2
Engineering Contractors	+6.5
Govt. Secs.	+6.3
Fixed Interest	+5.9
Indust. Ord.	+5.1
All-Share Index	+4.1
Gold Mines	+4.1
Textiles	-1.1
Wines & Spirits	-1.9
CONSUMER GOODS	-4.9
TOYS & GAMES	-7.1
Lt. Electronics, Radio, TV	-8.3
Oils	-9.4

	1979	1978
Capital Gds.	215.21	212.42
Consumer (Durable)	195.26	177.44
Cons. (Non-Durable)	206.71	207.25
Inds. Group	210.36	209.60
500-Share	249.20	250.84
Financial Gp.	182.04	179.57
All-Share	231.81	231.55
Red. Debts	49.59	49.43

M & G's Christmas cracker

BY RICHARD LAMBERT

THE POSITION of unitholders in all the unit trusts managed or administered by the M & G Group is absolutely and completely protected, as is that of all individual policyholders and annuitants within the group's assurance companies.

That was the unequivocal statement with which M & G opened its Press conference in London yesterday, and the point was made again and again in the course of the meeting. One can understand why.

Over the past decade, M & G has built itself into one of the most widely admired investment management organisations in the country. It now looks after the best part of £1bn worth of the public's money. In a business which is built on confidence, the news that a substantial deficiency has turned up in one of its life assurance companies is potentially very damaging.

However, it is quite clear that the victims of this upset are the shareholders in the management company, not the unit or policy holders. The potential deficiency, assuming the worst possible outcome, is £7m. That would have to be provided for out of shareholders' funds, which amount to around £8m.

M & G has already transferred £2m of its shareholders' funds into the life fund as a step towards covering the liability. And Kleinwort Benson, the leading merchant bank, has undertaken to pay up to another £5m into the fund in order to wipe out any remaining deficiency. M & G has undertaken to reimburse the bank for any amount so paid.

In return, KB will take an option on shares and convertible loan stock in the management company. As a result, its shareholding could rise from 37 per cent to 51 per cent.

But this will apparently make no difference to the bank's long standing relationship with M & G. Mr. Andrew Caldecott, who is taking over as chairman of M & G and is also a vice chairman of KB, said that the bank "recognises that M & G's success depends on its independence. There is no question of changing what it has long regarded as a highly successful investment team."

Similar assurances came from Mr. David Hopkinson, who runs the investment management side of M & G and is the group's new managing director and deputy chairman. He said that the investment team was "totally happy" about the future of the group in its new shape, and that everyone was committed to staying with it.

The problem relates to a tiny part of M & G's business. Since 1968, one of its life assurance companies has been writing foreign life assurance business by reinsuring business placed with it by a number of independent life assurance companies resident outside the UK. Typically, the original policies have been variations on the theme of single premium linked insurance bonds, which have been invested in one of M & G's exempt funds.

M & G had assumed that the



part—maybe 5 per cent—is represented by gold bullion.

If the eventual provision does turn out to be much less than £7m, it would have been a very costly exercise to transfer any surplus back to shareholders' funds.

The result of all this is that M & G's shareholders have taken a knock, and so has the group's ego. But the group's clients need not be distracted from their Christmas frolics.

The really intriguing question, however, is whether M & G is likely to be a lone victim. Mr. Caldecott said yesterday that he did not think M & G was the only group involved in this kind of business. The group's financial year ends in September—was it first got word of trouble three months ago. Nearly all the insurance companies have a December year end. Some of them must be awaiting their New Year post-optimism.

No difference to the bank's long standing relationship with M & G. Mr. Andrew Caldecott, who is taking over as chairman of M & G and is also a vice chairman of KB, said that the bank "recognises that M & G's success depends on its independence. There is no question of changing what it has long regarded as a highly successful investment team."

Similar assurances came from Mr. David Hopkinson, who runs the investment management side of M & G and is the group's new managing director and deputy chairman. He said that the investment team was "totally happy" about the future of the group in its new shape, and that everyone was committed to staying with it.

The problem relates to a tiny part of M & G's business. Since 1968, one of its life assurance companies has been writing foreign life assurance business by reinsuring business placed with it by a number of independent life assurance companies resident outside the UK. Typically, the original policies have been variations on the theme of single premium linked insurance bonds, which have been invested in one of M & G's exempt funds.

M & G had assumed that the

... and a happy Old Year

DING, DONG, merrily go the Christmas bells. The cash registers, however, may be playing a less cheerful tune this time around as the world economy looks apprehensively towards 1980 prospects.

Recession is with us and has been for longer than perhaps we realise until we remember that the UK industrial index made a cheerless close to 1978 at 470, and is now only 419.8 while gilt-edged securities have just about fought 1979 to a draw.

In sharp contrast, 1979 has been a very good year for almost all mining shareholders and not just those with gold shares who must have nearly doubled their money. Generally speaking, London share prices show gains, often very substantial, in all mining sectors.

The rises are all the more striking when it is remembered that most of the shares are overseas-registered and that the now abolished dollar premium accounted for nearly 30 per cent of the prices at end-1978. And we were so worried about the possible reduction or disappearance of the premium!

Let us take a look at price movements selected at random from the various sections, leaving aside the gold mines. Of the London-registered mining finance issues Rio Tinto-Zinc are now 320p compared with 229p a year ago. Selection Trust 844p against 442p while despite its many problems Charter's shares are virtually unchanged on balance at 128p.

After reaching 482p, shares of South Africa's De Beers diamond giant are only modestly higher on balance at 412p against 391p but Anglo American Corporation comes out well with a price of 552p against 302p. In Australia, Western Mining are 168p against 159p. JMB Holdings are only 180p against 197p, but allowance must be made for the intervening one-for-four scrip issue.

Malayan Tin came out at 485p against 385p, although not all Tins have done well. In Coppers, Messias stand at 130p against 86p and Zambia Copper Investments at 40p against only 11p. In line with the roller-coaster price of antimony, Consolidated Marchion has risen to 330p from 170p.

Shares of Canada's nickel giant, Inco, are level-pegging at £10 while the South African Rustenburg Platinum is priced at 183p against 94p. Interestingly, both Rustenburg and Impala have again raised their platinum sell-off prices this week to \$420 from \$380 per ounce.

As far as metal prices are concerned gold is \$478 per troy ounce compared with only \$228

at end-1978 an dollar \$23.40 against only \$8.06 per ounce. Tin comes out at \$7,560 per tonne against \$6,890, lead \$537 against \$45, zinc \$244 against \$247 and free market nickel \$2.90 per pound compared with \$1.70.

Where then, do we go from here? For the time being there is no hurry to go anywhere and holders of mining shares can relax and enjoy their Christmas. In a fortnight's time, however, when we have entered a brave New Year, I will have some suggestions to put before you.

Gold scene

Meanwhile, I offer some comments on the gold mining scene that have been made this week by Messrs. Dennis Etheridge, Gerald Langton and George Nisbet in their chairman's statements with the annual reports for the year to September 30 of the Orange Free State gold mines in the Anglo American group.

Their summing-up is that while some short-term fluctuations in the bullion price are to be expected the outlook remains favourable.

They still see gold being preferred to paper money—which is in "widespread distrust"—and consider that while high bullion prices may have caused some decline in industrial demand for the metal "foreseeable supplies of newly mined gold are insufficient to meet current demand, let alone an increasing investment demand."

It is worth remembering that the good profits made by the Anglo OFS mines in the year to September 30 were based on an average gold price of only about \$260. Furthermore, the rise in operating costs does not mean that they will require far greater prices in the current year in order to maintain the 1978-79 profit levels.

The accompanying table shows the minimum average prices that these mines will need in the current year to maintain earnings. It also shows the generous dividend yields now offered on the shares. So it does not require a great deal of imagination to realise that the gold price would have to fall very sharply indeed to stop the mines paying even higher dividends next year.

	Minimum gold price	Dividend yield %
F.S. Geduld	\$275	18
Pres. Brand	\$222	12
Pres. Steyn	\$290	9
Welkom	\$312	16
W. Holdings	\$298	18

Moving on to the major new

from the mining front this week as come the successful AS120m (£63m) bid made by Australia's Peko-Wallbanc for the 50 per cent stake held by the Australian Government in the Ranger uranium deposit in the Northern Territory.

Peko has decided to put its 25 per cent stake plus the Government's 50 per cent into a new Australian company, Energy Resources of Australia. Shares in the latter will be offered to public investors and financial institutions in Australia. This may be the biggest public flotation undertaken there.

But not all the capital of ERA will be offered Under-Under. Up to 25 per cent of it will be offered to the Japanese, a stipulation which will bring the uranium oxide produced. They must, however, bring sufficient buying contracts to ensure the mine being able to operate profitably from the start.

MINING

KENNETH MARSTON

Production is scheduled to begin in 1981 at an annual rate of 8,000 tonnes of uranium oxide. The purchase guarantees are important because the general stipage that has occurred in nuclear power plant construction, partly as a result of the Three Mile Island scare, means that uranium could well be in over-supply at that time.

In South Africa, General Mining has come forward with the terms of its proposed bid for the remaining shares in its 51.7 per cent-owned Union D.H.D.S.L.-R.L.S.S.R Corporation gold mining and industrial subsidiary. Holders of the later are offered 80 GM shares for every 100 UC.

The UC holders will still qualify for their company's final dividend for 1979 which is expected to be not less than 41 cents (22.5p). They will not qualify for the rights issue which is to be made by GM next April if the UC take-over goes through. GM is to offer 30 shares at a price of 1,500 cents (\$25p) for every 100 shares held.

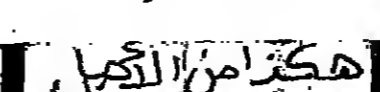
The offer for UC makes a good deal of sense in that it will create an even more powerful GM—now second only to Anglo American in South Africa—and put it in a position to take greater advantage of mining and industrial opportunities. Whether these opportunities include the much-mooted takeover of Consolidated Gold Fields is a question that is carefully not answered.

Consolidated Gold Fields and American's Phoenix Dredge have announced the start of production at their 51 per cent to 49 per cent owned Black Mountain base-metal mine in South Africa's remote north-western Cape. Its cost is expected to be \$170m (£83m) compared with the \$181m anticipated in 1977, an achievement in these inflationary times.

Furthermore, the newcomer stands to be more profitable if metal prices hold their improved levels. In 1977 it was reckoned that Black Mountain would make about \$50m a year in terms of its sales contracts. The higher metal prices have raised this expectation to about \$110m. Thus there is the hope that dividends will start to flow considerably sooner than the earlier expectation of about six years from the start of production.

Coming nearer to home one of the long-term favourites of this column, Selection Trust, has a stake in what may be a commercial gas discovery in the North Sea. The find has been made by the Nordwinning and Amoco groups on Block K/19 which is immediately to the north of K/13 Block producing gas fields.

Selection Trust has a 3.7 per cent interest in the North Sea project through its 92.5 per cent participation in the Nordwinning Group. Further evaluation has to be carried out on the latest find but whatever the outcome, Selection Trust remains a stock to hold for the decade

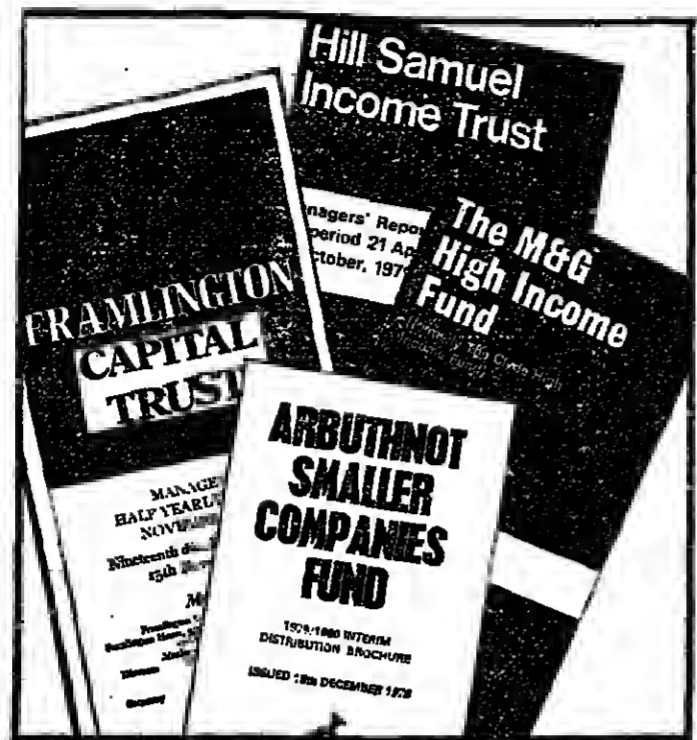


YOUR SAVINGS AND INVESTMENTS

Tim Dickson reviews the prospects for 1.8m unit-holders faced with higher charges

Up, but not to the sky

AN IMPORTANT new chapter in unit trust history opened this week with the news that Britain's 1,800,000 unit holders face higher management charges in the New Year.



Under a Department of Trade formula which was introduced more than 20 years ago, managers have effectively been allowed to levy either a 5 per cent initial charge on the sum invested plus a 1 per cent annual charge, or a 3 per cent initial charge and a 2 per cent annual charge.



Mr. Cholmeley Messer

In return for decontrol the Unit Trust Association has assured the Department of Trade that it will not attempt to replace the Department's powers by any price fixing of its own.

House shares for children

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Referring to your reply under "House shares for children" November 24, my wife and I want to transfer our jointly held residence in our daughter's name.

As the transfer would be of your principal residence capital gains tax should not be chargeable. However capital transfer tax (which replaced death duties) would be chargeable unless you can effect transfers of your interests not exceeding £2,000 in value from time to time.

Use of right of way

I refer to your reply of November 16 under "Use of Right of Way." I am one of three house owners who have in our deeds a vehicular right of way over the road.

The road are the dominant owners. They cannot prevent the flat residents from using the road unless that use obstructs their own use of the road.

Fixing of alimony

My wife recently left the marital home in Scotland taking our two children with her. The children are 13 and 18 years old.

No entitlement to premium

As a non-resident on both occasions, though some Caledonia policies supply ordinary shares on the London Stock Exchange on January 4, 1973 and sold them on March 8, 1979 at a realised ex-premium price of 55p each.

Self-employed pension scheme

With reference to a self-employed pension scheme, with profits and monthly instalments, is it permissible to increase instalments to supplement your self-employed policy with a Unit-linked Savings Plan or Endowment Policy (according to your preference).

Rhodesia watchers wait

THE 12 Southern Rhodesia bonds quoted on the London Stock Exchange have provided one of the most successful "runners" for investors during 1979. Since UDI in 1965 the stocks have bobbed up and down as successive settlement attempts have come and gone.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post or soon as possible.

Life interest buy

My late mother had a life interest in her sister's estate and on my mother's death, this fund went out of the family.

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Gold and oil by the back door

THE CHRISTMAS card from Amex Bank this year makes most investment strategies look a little lame. It shows that if an investor had put \$100 into gold at the beginning of this decade it would today be worth \$1,023.

INVESTMENT

NICHOLAS COLCHESTER

Assuming the price has gone beyond the 30 per cent trigger, the value of the bond varies with the dollar oil price. The British investor has therefore to take a view on the dollar exchange rate, the dollar price of oil, and the credibility of the Mexican Government.

What the wise men say

ROBERT COTTRELL

There is a growing theory that the price of gold is now determined largely by the price of oil. The argument is of obvious appeal to gold bulls.

GOLD

ROBERT COTTRELL

But "where there is a tip there is a trap," as the wise old saying goes, and in this case the tip could be the nervous holders of a lot of high-priced gold looking to unload it in a climate of false optimism.

Season of gifts for the burglar

In any event, choice of installer is worthwhile because different companies have different prices and in the alarm company's bill there will normally be two components—the cost of the work and installation materials and charge for regular maintenance.

INSURANCE

JOHN PHILIP

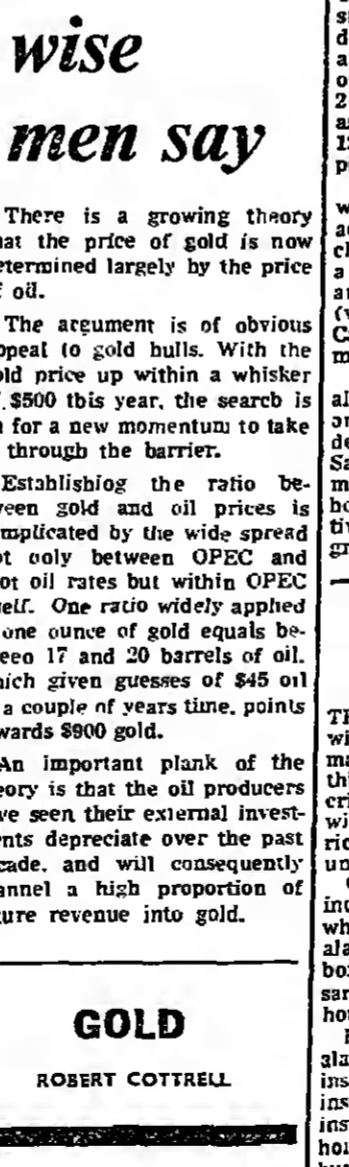
The winter crime season is with us—and the long Christmas-New Year holiday season this year seems likely to provide criminals all over the country with plenty of opportunity of rich pickings from temporarily unoccupied homes.

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INVESTMENT

NICHOLAS COLCHESTER

Both categories have been the object of avid investor interest for some time, so there are quick and easy gains to be made on them—unless the prices of the underlying commodities continue to move upwards.

MOTORING



Volkswagen's diesel engine Passat estate. Up to 90 mph on the autobahn, or 60 miles per gallon at a steady 50 mph.

Ignore the diesel at your cost

BY STUART MARSHALL

HOW MUCH LONGER can British motorists—and especially those who drive 20,000 or more miles a year—afford to ignore the diesel car? When cut price petrol gushed freely from the pumps at 60p a gallon only a little more than two years ago, it was hard to make much of a case for the diesel in Britain. But since then petrol has doubled in price and it is clear that with the Middle East in turmoil, an oil supply crisis will never be far away.

Last week, an oil industry expert forecast gloomily that by the end of 1980, we will be paying £2 a gallon for petrol. It would be unwise to disbelieve him. In matters concerning energy supply (not to mention inflation, economic growth and so on) the pessimists are usually right.

If he is correct, the 20,000-mile a year man in his 25 mpg two-litre petrol-engined car will be spending £1,600 a year on petrol 12 months hence. A diesel car of comparable size would cut his consumption by at least 30 per cent. Even assuming a continuation of the short-sighted government policy of taxing DERV at a slightly higher rate than petrol, that would still amount to a saving of £420 a year.

Which would go some way toward paying the price difference between, say, a Peugeot 306GR and the diesel engine 306GRD (currently £673) and by the end of the second year be would certainly be in pocket.

As regular readers of this column will be aware, I am a diesel car buff (did someone say here?) and my reason for returning to the subject is twofold. First, I have recently driven two newcomers to the

growing band of diesel cars now on sale in Britain. And secondly, a VW Golf diesel owner has sent me some statistics bearing out everything I have written in the past about this car's astonishing economy.

Mr. T. R. G. Chapman, a chartered engineer living in Scotland, came to a Golf LD a year ago after running nine different makes of car, two Rovers included. The Golf LD, he says, is one of the most satisfying cars he has ever owned.

He has covered 10,858 miles, using 196.9 gallons of DERV which cost him £157.27, giving an average mpg figure of 55.15 and a fuel cost per mile of 1.72 pence. Total servicing charges were £50.82 and they would, he says, have been less had he not had to have the front spoiler twice renewed. (I know the problem. On a Golf LD I drove for three months last year I destroyed a spoiler on the central ridge of a farm track. Why don't they make it of rubber, not plastic?) Needless to say, the Golf has been totally reliable.

Mr. Chapman's insurance—group 3 rating, full no claims bonus, two named drivers and £100 voluntary excess—is only £48.29. Add £50 road tax, and the Golf LD cost him exactly £336.38, a weekly total of £6.46, excluding only depreciation. That really does have to be called cheap motoring. Mr. Chapman, who evidently knows how to get the best out of a diesel car, recently made a four-day, 630-mile trip in the Lowlands and Borders during which he returned an average of 69 miles per gallon. And he adds that his year-round fuel figures reflect his habit of towing a 6 ft 6 ins by 4 ft trailer now and

again. I averaged 53.2 mpg in my test Golf over 2,251 miles, achieving 57 mpg at best (mainly in local runs) and never dropping below 51 mpg. DERV has gone up steeply in price since the summer and Mr. Chapman will now be spending a lot more than the average 95p he paid for a gallon over the past year. But then everyone else is paying more for petrol. In August, 1978, when I reported on my long-term Golf test, four-star petrol in London was an average 74p and DERV 89p, though it could be found at filling stations serving a lot of taxis at 78p a gallon. Today, DERV costs around £1.25. But petrol is now £1.17; the higher the price goes, the greater the benefit of a 30 per cent saving in fuel consumption.

The two diesels that only recently arrived on the British market are the VW Passat estate car and the Audi Avant. The former has almost the same 1.5-litre engine as the Golf LD, the latter a five-cylinder, 2-litre using many of the smaller four-cylinder engine's parts. They develop 50 horsepower and 70 horsepower respectively, have rich chugging tickovers but otherwise perform so much like petrol engines that it really is hard to tell the difference—until you pull up at the pump. The diesel Passat estate has identical trim to the LS model and at £5,460 costs only £392 more, so the 30,000-mile owner will easily get his money back in the first year. The Audi Avant diesel costs £7,503. There is no exact petrol equivalent because the diesel has power steering which normally comes only on the more expensive Avants with fuel injection.

The Passat diesel cruises as easily as an indicated 85 mph as it does at a motorway 70 mph and any thoughts that it would be a larger and therefore less sprightly version of the diesel Golf can be dismissed. It prefers to rev, than to slog and feels happy in third at 25 mph than it does in top. Third will show 60 mph, but that is not the way to maximise diesel economy benefits. At anything over 35 mph the Passat accelerates well in top gear.

Handling is marginally heavier than the petrol car, at any rate when running unladen, but the ride comfort and generally nimble behaviour is unchanged. The Passat has a large glass area, giving outstanding visibility. The trim is as tastefully simple as a Scandinavian motel bedroom. VW claims 62.7 mpg at a steady 50 mph, 49.5 mpg at a steady 60 mph and says an average owner can expect 42 mpg overall. I hope to run an extended test in the New Year.

The diesel Audi Avant is even smoother than the Passat, especially when pulling hard in top from 25 mph. It will sustain 90 mph on the autobahn, has a gearshift as excellent as the Passat's and should give an average 35 mpg, VW say. What is so nice about these two diesels is that they respond just like petrol-engined cars when driven hard, but will prove extremely economical when used more sensibly. The best of both worlds, in fact.

VW Audi expects to sell 5,000 of their diesels here next year, more than double this year's total. No cats make better sense if fuel bills are paid out of your pocket, not the firm's.

TRAVEL

London in winter

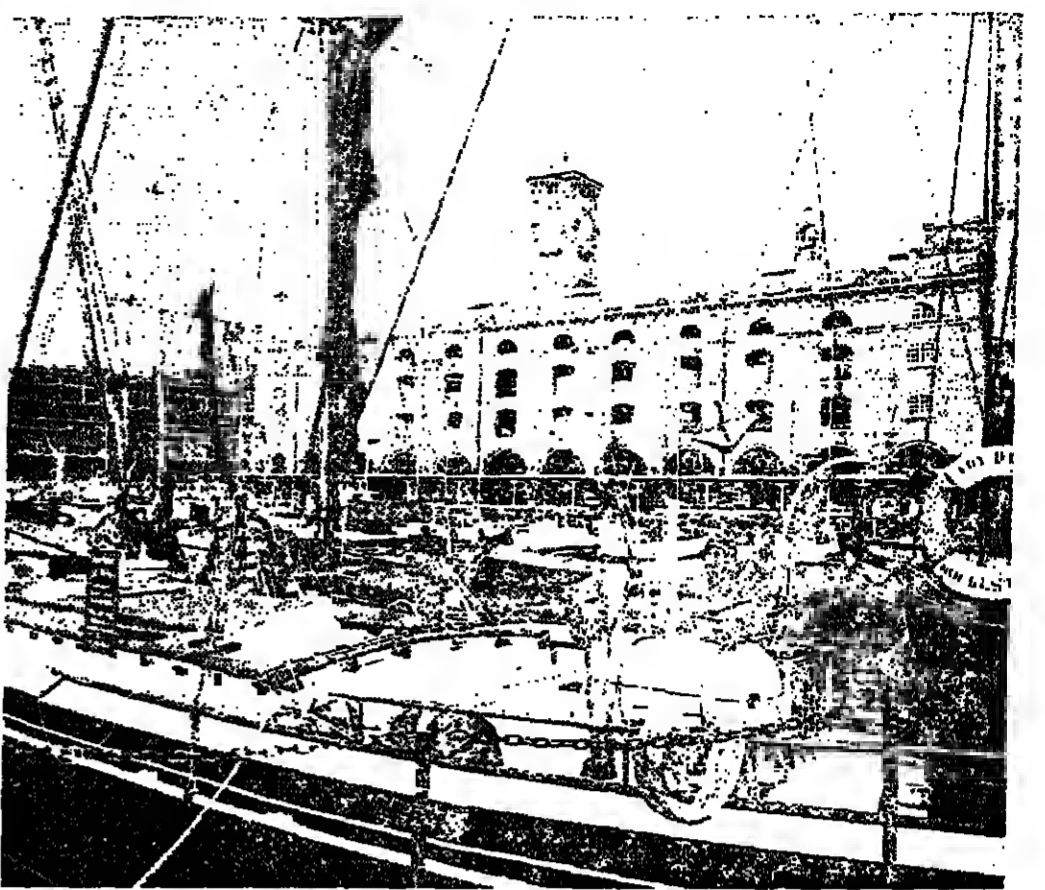
BY SYLVIE NICKELS

HAVING SPENT, so far, the first three-quarters of my life as a Londoner and the most recent quarter as a country cousin, I must avoid indulging in a negative form of nostalgia. So let us agree and be done with it, that our great capital is noisier, more crowded, rather more dirty and rather less polite than it used to be, and turn to the positive aspects which are second to none. Current estimates are that 8,400,000 overseas visitors will have stayed in London in 1979 and, judging from a sample survey, they seem to agree with me.

My irregular visits have at least incited me to be more exploratory. Hence, very near the F.T. offices the other day, I deviated a little to peer at the Roman remains of a Temple of Mithras in Queen Victoria Street. And for the first time, a few months ago, I took in one of the numerous lunch-time concerts which punctuate London's weekly calendar. Many of these take place in famous churches and can provide a splendid break in a sightseeing tour or shopping spree.

This a visit to the Guildhall can be combined with a lunch-time concert at the restored Wren church of St. Lawrence Jewry next door, or the world's largest market at Smithfield with 12th century St. Bartholomew-the-Great. St. Martin-in-the-Fields is the obvious choice for a breather on the Square-National Gallery circuit. St. James's in Piccadilly offers a musical respite in the heart of the West End, and is also the home of the London Brass Rubbing Centre where you can learn to do-it-yourself for a nominal charge.

The London Tourist Board is the fountain of all knowledge; addresses are at the end of this article. From there, too, you can get two recent booklets, "Children's London" and "Sunday in London" (20p, plus 10p packing and postage). Among the free leaflets available is one outlining, with map, two Heritage Walks through the City, and another offering similar guidance on a Bloomsbury Jubilee Walk, with the



The yacht marina at St. Katharine's Dock.

British Museum more or less in the middle of it. A map for the more extensive Silver Jubilee Walkways costs 35p. These are excellent for loners, but there are numerous guided walks, for which it is not necessary to pre-book, each concentrating on some area or aspect of London. Dickens, Sir Christopher Wren, sundry ghosts, and pubs are all popular themes; participation usually costs around £1. Special Theatreland tours do require pre-booking and cost £7.50, but include lunch or tea, an hour's walk with actor guide through theatreland, and a backstage visit to a famous theatre among other things.

The theatre theme is pursued in other packages offering a table d'hôte dinner and a good seat at one of several theatres. Including the English National Opera. Of novel interest is the fourth London Mime Festival from January 9 to February 2 at various venues and with international participation. This is not the place to list scores of museums, but two exhibitors topping my list of "musts" are "Post Impressionism" at the Royal Academy in Piccadilly until March 16, 1980, and "The Vikings" starting at the British Museum on February 14. And it would be a pity, of all things, to miss the Museum of London, partly because of

its own excellence and partly because of its neighbourhood. The Barbican, which takes its name from the city defences that once stood here, was the most devastated area of the Second World War blitz. Fragments of those Roman-built walls can still be seen, but most things are completely new or, in a few cases re-built. Currently under construction in this major residential precinct is the Barbican Centre where two theatres, concert hall, three cinemas, art gallery, library and restaurants should provide the capital with welcome new amenities within the next 18 months, all in a landscaped setting.

The Tower of London, which regularly tops the list of visited historic properties (over 3m in 1978) hardly needs introduction. But the surrounding area is also blossoming into something of a tourist magnet in which the latest (free) attraction will be added on January 7 when the new World of Earthworm Museum opens on the South-East side of Tower Bridge. On the north side of the bridge, St. Katharine's Dock encompasses a yacht marina, some historic houses and the growing collection of the Maritime Trust's Historic Ship Collection. Finally, newest of the wide open spaces within easy reach

for Londoners and their visitors is Thorpe Park, 21 miles from the city centre and five miles from Heathrow Airport. Described as Britain's first theme park it covers 400 acres of land and water whose developers have created a leisure centre loosely based on the history of the British as a maritime nation—hence a Viking long ship, a Roman galley and a model of the Queen Elizabeth. There is a good deal more, too, both indoors and out, which could make it just the place for a family outing on a winter's day, whenever the weather.

As usual, there is a good choice of packaged winter breaks, based on a wide variety of hotels, both independent and group-owned. Many include rail travel from any part of the country; some offer such extras as complimentary theatre and/or museum discounts, free accommodation for children, and no single room supplements. The LTB can provide a list. Addresses: London Tourist Board, 26 Grosvenor Gardens, Victoria, London SW1; also tourist information centres at Platform 15, Victoria Station; Ground Floor, Selfridges, Oxford St., W1; 4th floor, Harrods, Knightsbridge, SW3; Heathrow Central Station; City of London Information Centre, opposite St. Paul's Cathedral.

MOTOR CARS

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* WATERLOO AND ALL THAT *
— Jill Tweedie *
* For free copy of this charming and colourful essay on Brussels and Piccadilly until March 16, 1980, and "The Vikings" starting at the British Museum on February 14. And it would be a pity, of all things, to miss the Museum of London, partly because of its own excellence and partly because of its neighbourhood. The Barbican, which takes its name from the city defences that once stood here, was the most devastated area of the Second World War blitz. Fragments of those Roman-built walls can still be seen, but most things are completely new or, in a few cases re-built. Currently under construction in this major residential precinct is the Barbican Centre where two theatres, concert hall, three cinemas, art gallery, library and restaurants should provide the capital with welcome new amenities within the next 18 months, all in a landscaped setting. The Tower of London, which regularly tops the list of visited historic properties (over 3m in 1978) hardly needs introduction. But the surrounding area is also blossoming into something of a tourist magnet in which the latest (free) attraction will be added on January 7 when the new World of Earthworm Museum opens on the South-East side of Tower Bridge. On the north side of the bridge, St. Katharine's Dock encompasses a yacht marina, some historic houses and the growing collection of the Maritime Trust's Historic Ship Collection. Finally, newest of the wide open spaces within easy reach for Londoners and their visitors is Thorpe Park, 21 miles from the city centre and five miles from Heathrow Airport. Described as Britain's first theme park it covers 400 acres of land and water whose developers have created a leisure centre loosely based on the history of the British as a maritime nation—hence a Viking long ship, a Roman galley and a model of the Queen Elizabeth. There is a good deal more, too, both indoors and out, which could make it just the place for a family outing on a winter's day, whenever the weather. As usual, there is a good choice of packaged winter breaks, based on a wide variety of hotels, both independent and group-owned. Many include rail travel from any part of the country; some offer such extras as complimentary theatre and/or museum discounts, free accommodation for children, and no single room supplements. The LTB can provide a list. Addresses: London Tourist Board, 26 Grosvenor Gardens, Victoria, London SW1; also tourist information centres at Platform 15, Victoria Station; Ground Floor, Selfridges, Oxford St., W1; 4th floor, Harrods, Knightsbridge, SW3; Heathrow Central Station; City of London Information Centre, opposite St. Paul's Cathedral.

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1980
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February 11
March 10
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May 12
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LEISURE

Flower arranging made easy

BY ARTHUR HELLYER

THIS SEEMS an appropriate moment to write about flower arranging, not merely because a great many people will be busy making special decorations for Christmas but even more because the Royal Horticultural Society has just conferred two of its highest awards on flower arrangers. Mrs. Mary Pope, who has been a leading amateur for many years and has played a big part in the organisation of flower arrangers' clubs and competitions, has been given the Victoria Medal of Honour and Miss Stella Coe, a specialist in the Japanese art of ickebana, is to receive the Veitch Memorial Medal in gold. The last time anything like this happened was in 1973 when Julia Clements received the VMH and in 1970 Mrs. Pope had a Veitch gold medal. Before that, so far as my memory goes, flower arrangers have seldom figured in the annual RHS awards list.

It is a measure of the changing attitudes of gardeners to flower arrangers and a recognition of the part they have played in the development of horticulture, especially since the war. There was a time when the two movements seemed almost totally disconnected except in so far as the flower arrangers increased the demand for commercially produced cut flowers, many of them imported from abroad. However as the flower arranging art prospered and diversified so its practitioners found it necessary to use a good deal of material that was not commercially available. If they wanted these newly desirable flowers and leaves they either had to

grow them at home or persuade gardening friends to grow them on their behalf. So the demand grew for all manner of previously scarce plants and it did the seedsmen and the nurserymen quite a lot of good though it also gave them a few headaches. As always with a largely amateur hobby, there was also a good deal of friendly exchange of seeds and plants but whatever the means of distribution gardens were enriched as a result.

For my own part I believe that there has been another, and largely unnoticed, benefit to gardeners arising from the great increase of interest in flower arranging. For nearly two hundred years our gardens have been dominated by plants, not always to the benefit of their design. Flower arrangers have brought a new awareness of form and colour into the garden as well as into the assembly of cut flowers and foliage in artistic ways and they have applied almost identical principles of balance, harmony and contrast to each. As a result more gardeners than ever before think carefully before they plant, weighing up in their minds how well or badly each plant will associate with its intended neighbours. We now hear and read a great deal about plant associations, agreeable and otherwise, far more than we have heard since Gertrude Jekyll wrote about them so intelligently and persuasively in the early years of the century and we owe much of this new sensitivity to flower arrangers. The movement has also produced its own literature, both magazines and books devoted to

A sooper start to the season

LAST WEEKEND I headed for the Alps in the company of 45 pretty girls and 43 Christmas cakes. The numbers in both cases may be inaccurate but in such exotic company I tend to have a bad head for figures... let me rephrase that... I tend to lose count. The reason for the girls was that they were all off to be Chalet-mothers in ski villages, a breed of resort hostess seemingly a British peculiarity and certainly ever increasing in number. The cakes baffled me for a time until I discovered that each was required to provide such fare next week. Two of the girls were near tears. A hard-hearted airline insisted that what with skins, cakes and pet teddies the girls were a little overweight. Against assurances that teddies and cakes would follow later the

WINTER SPORTS

ARTHUR SANDLES

girls grabbed their skis and made for Switzerland. Winter sports women get their priorities right. Chalet living is increasingly popular with skiers, particularly those keen to sample the more up-market resorts without facing too much in the way of up-market prices. Several companies now offer the chalet system and it appears to attract a particular type of Gordon Bleu trained personnel, so much so that we were soon referring to

our travelling companions as the Jolly Sooper girls rather than the Super alpine personnel they proved to be.

Having never seen a Jolly Sooper at the end of the season, when the last of a lino of British ski families have passed through the chalet doors, I can only talk of early season eagerness. A Jolly Sooper invited me to tea and proffered a bulky appetiser of startlingly delicious proportions that suggested that Gordon Blue and Cuisine Minceur don't talk to each other very much these days; another Jolly Sooper took me skiing and showed the extraordinary courtesy of falling over more than I did - no easy task; and a third whisked me off to the doctor to get the plaster fitted. This third incident brought to an abrupt end the enjoyment

of some spectacular early season snow, and the pleasures of the company of Jolly Soopers. Anyone who is going skiing this weekend might be comforted by the fact that when I left a couple of days ago, the snow was deep in Switzerland, that the trains were running late, for once it looks as if many Alpine resorts will get a thoroughly White Christmas. Such is not the case everywhere, however. The U.S. resorts could do with a few more snow showers.

And so another ski season starts. We had hoped to begin the Snow Reports this week but the system is not in full operation. From personal observation, however, I can say that in the middle of this week there was deep snow all the way from just outside Geneva to Zermatt.

BRIDGE

E. P. C. COTTER

LET ME remind you that the Harpers and Queen Christmas Bridge Tournament held at the Europa Hotel starts on Friday, December 28, with the Mixed Pairs Championship, followed by the Open Pairs Championship on Saturday and Sunday the Simultaneous Pairs and the Swiss Teams will each be held over two sessions. For details and entries apply to Bridge, Grand Metropolitan Hotels, 7 Stratford Place, London W1A 4YU (629 6618).

A new book by Tony Sowter, Improve Your Defence (Batsford £5.95) is one that I can recommend with confidence. It is full of logic and good sense. Study this slam hand:

Bridge hand diagram showing N, S, W, E cards and a trump suit.

South deals at game to North-South and bids two hearts. North replies with three diamonds and raises South's rebid of three spades to four spades. After his Four No Trump bid gets a response of five diamonds, South bids six hearts, and all pass. What do you lead? Your heart King seems certain to make, and as good players do not generally employ Blackwood when void of a suit, your diamond Ace should score. Do you lead the diamond Ace? No, because there is a sensible alternative. North would appear to have four spades as well as five diamonds. With three hearts and a singleton Ace of clubs, he

might well have bid four clubs over three spades—so give him two hearts and two clubs. That means that your partner holds a singleton spade and three trumps. So lead a spade. When you get in with your heart King, you can give your partner a spade ruff and defeat the contract. When the declarer turns up with a void in diamonds, you see that your spade lead was the only way of putting the declarer down, and your partner is full of praise for your reasoned analysis of the situation.

Now we will put you in the East seat:

Bridge hand diagram showing N, S, W, E cards and a trump suit.

With neither side vulnerable, South deals and opens the bidding with one heart. North raises to three hearts, and South bids the game. Your partner's opening bid is the King of spades—what is your defensive plan? First obey the rules—count your tricks. You have two spades, unless, of course, your partner happens to have a six-card suit, and the Ace of trumps. Where do you look for a fourth trick? A little thought should show you that it is possible for you to make a club ruff if you are alert at trick one and time your defence accurately. Instead of signalling your approval of West's lead by dropping your seven, you must take matters into your own hands. Overtake the spade King with your Ace, and at once return your singleton three of clubs. The declarer will win on the table and lead a trump. You step up immediately with your Ace and lead back the three of spades. West gets in with the queen, carefully the declarer has a second spade—and returns the four of clubs, which you ruff to put the declarer down. No other defence defeats the contract, and let's face it, it is not difficult to find.

THE PLIGHT OF THE FLYING EATER

BY EGON RONAY

PAN AMERICAN'S marketing director in charge of North America tracked me down on the telephone in Houston, Texas, three weeks ago, and invited me to address a meeting of 50 top executives and travel experts in San Francisco. I was asked to detail the experiences of six of us who assessed 14 airlines, on three flights each, between North America and the British Isles As Pan American came twelfth (third from the bottom) in the resulting league table, his was a broadminded and constructive approach. (I couldn't accept because of the date.)

The survey of 14 airlines, published in Egon Ronay's Lucas Guide 1980 to Hotels and Restaurants, created world-wide interest of unexpected proportions. But the first reactions of the airlines weren't quite as well considered as the one I mentioned. Before they adopted a constructive attitude, Pan American instantly recommended a psychiatrist to me and accused me, in the American press, of a British bias against Pan American. El Al's startled statement said: "The inspectors' brief obviously was just to go out and get the airlines" (they had been placed at the bottom of the table).

Delta, who led by a convincing margin, included the fact in their advertising and received my permission to use our report in their application to the American Civil Aeronautics Board for a licence to fly a new transatlantic route. British Airways, whose "Elizabethan" menu appalled our inspectors, both for farcical rucosity and absurd result, said we were out of touch with the public's need. Another international airline, although it came quite well out of the survey, asked me to advise professionally on a new economy menu to be served under my name—a flattering invitation I couldn't accept for obvious reasons. Laker's New York representative told me of his surprise that the company had a plesing and a reasonably good one at that. Braniff told the Press in New York that their competitor's win was "hilarious," because we had romped the atmosphere on board Delta's impeccably staffed planes with "that of a civilised party."

TWA rightly announced to the Wall Street Journal that it is the best between New York and London (Delta flies only from Atlanta, and Air Canada,

GOLF

Portrait of the seventies

BY BEN WRIGHT

IF ONE had attempted this review of the seventies a month ago the temptation to comment on the passing of the era of the "Big Three" would have been irresistible. Gary Player's subsequent four consecutive victories in his native South Africa would have made that obituary rather premature. Even if Jack Nicklaus is plainly losing interest in all but the major championships, and Arnold Palmer spends less time on the golf course, Player has yet again proved himself the fittest and most determined golfer in the game's history. As he asserts if he retains his health and enthusiasm the South African could yet prove himself the greatest player of all time, not just the best ever born outside America. I am thrilled to have been invited to watch Player for 25 years since a good friend Hugh Lewis, then pro-



Gary Player: greatest player of all time?

America's Bill Hyndman by eight and seven in the final of the 1970 Amateur Championship at Newcastle, Co. Down, and went on in 1971 to lead our Walker Cup team to a first victory over the Americans since 1938 at St. Andrews. Since then you will hardly need reminding that the Seventies have been lean times for British golfers on the few occasions they have dared to venture into world class. Thank you to the first black golfer to play in the Masters Tournament at Augusta in 1975, and this year became the first black golfer to play on the American Ryder Cup team at the age of 45. The Royal and Ancient Gold Club of St. Andrews made the use of the American size 1.68 inches diameter golf ball mandatory for the 1975 Open Championship and, hopefully, for ever.

The "match" of the decade was mainly that between Watson and Nicklaus over the

independent board of directors. It was a decade that saw golf become a multi-million pound business and business managers proliferate as a direct consequence. On February 6, 1971 astronomer Alan Shepard struck the first golf shot on the moon. On July 20, 1979 67-year-old Sam Snead brought in a score that equalled his age. Two days later Snead improved to 65 in the fourth and final round of the same tournament. Lee Elder became the first black golfer to play in the Masters Tournament at Augusta in 1975, and this year became the first black golfer to play on the American Ryder Cup team at the age of 45. The Royal and Ancient Gold Club of St. Andrews made the use of the American size 1.68 inches diameter golf ball mandatory for the 1975 Open Championship and, hopefully, for ever.

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Jonjo chases gold

WITH STABLE jockey Ron Barry unable to do the weight on Current Gold in this afternoon's Goral Welsh National Jonjo O'Neill comes in for the ride on the Gordon Richards-trained eight-year-old.

There seems a strong possibility that this tough individual who relishes a test of stamina will give the Irishman (who turned down a winning ride on Father Delaney in the Massey Ferguson) a day to remember. Current Gold, set to carry just 11 lb more than the minimum allowable in the short handicap weights (10 stone) hand the lack of a turn of foot his undoing in the Hennessy at Newbury on November 24. Nevertheless, he ran a high respectable race, finishing fourth at 1 1/4 lengths, 4 lengths and 1 1/2 lengths to Fighting Pit, Zongolero and Royal Stuart. Provided that there is not a slow pace in the first half of this 3 1/2 mile test (a feature which proved his undoing when a narrowly beaten third behind Irish Tony and Goparu at Wetherby), Current Gold should take a good deal of beating off his lenient handicap mark.

RACING

DOMINIC WIGAN



anesthetic alleviates the tragicomic reality of the aforesaid Elizabethan fare, of "Veale and Porke Pye Northumberland" printed in Gothic, or the inedible joke of "Tarte Martin Frobisher."

Our conclusions are: Airlines need to mend radically, perhaps by constant polling, the eroded lines of communications, so that passengers actually feel that airlines are interested in their individual wishes and thoughts and that these are actually taken into account. Consideration must be more than lip service—it must be seen and felt by passengers. The time is ripe for a large-scale, co-operative effort of airlines to research the psychological needs of passengers, the denser the masses, the greater the need to feel wanted and to be reassured, particularly because of subconscious fear of flying. Laboratories must be cleaned during longer flights. A new approach to eating in flight is much overdue. Sir Freddie Laker again shows the way not to serve food automatically. I can foresee a buffet table in the boarding lounge, with a choice of inventively packaged delicacies to cater for all tastes and pockets; to be picked up, like duty-free goods, with improvement in quality and a big saving in effort, manpower and cost. The need for a dramatic improvement in transport between airports and city centres is exasperatingly common knowledge. Within a couple of years, better service will become the most important point of competition after safety. For this

CHESS

LEONARD BARDEN

NIGEL SHORT, at age 14, will be the youngest ever British player in the annual Hastings Premier to be opened by astronomer Patrick Moore at the White Rock Pavilion next Friday afternoon. The congress, 55th in the world's longest running international event, is again sponsored by International Computers and carries a £1,000 first prize. Others in the 16-man Premier are likely to be Hort (Czech), Andersson (Sweden), Georgadze and Makarichev (both USSR), Liberson and Zilber (Israel), Raicevic (Yugoslavia), Bivasias, Seirawan and Christiansen (U.S.), Stean, Nunn, Speelman, Mestel and Bellin (England). On published international ratings, Short at 2260 (equal to a British grade of 208) is by far the weakest in the field, but of course this figure is very out of date and on current form he would be around 2400 (equal to 225). Taking this Short's figure as the true one, Smeets expected score is around 5 1/2 points from 15 games. He would need 7 points to complete his qualification as the youngest international master for which he achieved the first leg in the Grieverson Grant British Championship. It will be only natural if the boy is a little overawed in his first venture against such world

class opposition, but the other five English players are all young men in good form who have the chance to provide a long-overdue home success at Hastings. The Russians have sent two second-line grandmasters so that the favourites on paper are Hort and Andersson, both former Hastings winners.

One of Nigel Short's recent wins, played in a Manchester League match, sheds further light on an attacking system against the Pirc/Modern Defence. It is one of Short's favourites and has been featured previously in this column. White: N. D. Short. Black: G. D. J. Keane. Opening: Pirc Defence (Manchester 1979). 1 P-K4, P-Q3; 2 P-Q4, N-KB3; 3 N-QB3, P-KN3; 4 B-QB4, B-N2; 5 Q-R2, N-B3; 6 P-K3, N-Q2. The win of White's queen by NxBP: 7 PxN, NxQ; 8 PxR, R-KN1; 9 KNxN is illusory; White's three pieces are more than enough compensation. 7 N-B3, 0-0? This is insufficient, as is 7... PxP? 8 BxP ch KxR; 9 N-N5 ch and wins, but the critical line is 7... N-N3! 8 B-N3, 0-0; 9 B-KB4, P-QR4; 10 P-QR4, B-N5; 11 0-0, Q-B1 when Black's active pieces give roundtripplay (K. Arkell-Chandler, Manchester Benedictine 1979). 8 P-K6, PxP; 9 BxP ch, K-R1; 10 B-K3, N-B3? Black should still play 10... N-N3. 11 N-KN5, Q-K1; 12 N-N5, Resigns.

Perhaps a trifle premature, but after 12... BxR; 13 NxR White wins rook for knight by NxR or NxBP and Black has no real compensation. If Nigel Short continues to fulfil his promise, his great rival in tournaments of the 1980s will be the 16-year-old Russian Gary Kasparov, who has just won his first three games in the USSR Championship. This event, always the strongest national contest of the year, produced a fine attacking win in the opening round. White: O. Romanishin. Black: Y. Balashov. Opening: Sicilian Defence (Minsk 1978). 1 P-K4, P-QB4; 2 N-QB3, P-K3; 3 N-B3, N-QB3; 4 P-Q4, PxP; 5 NxB, P-QB3; 6 B-K3, Q-B2; 7 B-Q3, N-B3; 8 Q-K2, P-Q4; 9 0-0, B-N2; 10 P-KR3, B-R2.

PROBLEM No. 299 BLACK (2 men) WHITE (6 men) The problem is also a searching test of your skill. This seasonal diagram was composed by Sam Loyd in the form of a Christmas tree shape of the pieces. White mates in four moves at latest, against any defence. Allow plenty of time before you give up; one crack British solver took a full two hours. Solutions Page 10

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COLLECTING

Battle of the premium

BY JUNE FIELD

RETAININGLY it has been a... when the art and antique... has become an unsettled...



Peter Wilson, Sotheby Parke Bernet chairman, who is relinquishing his office in February to hand up Sotheby's...

The case is not expected to come to court until October, 1981, and the London and Provincial Antique Dealers' Association (1750 members), has not...

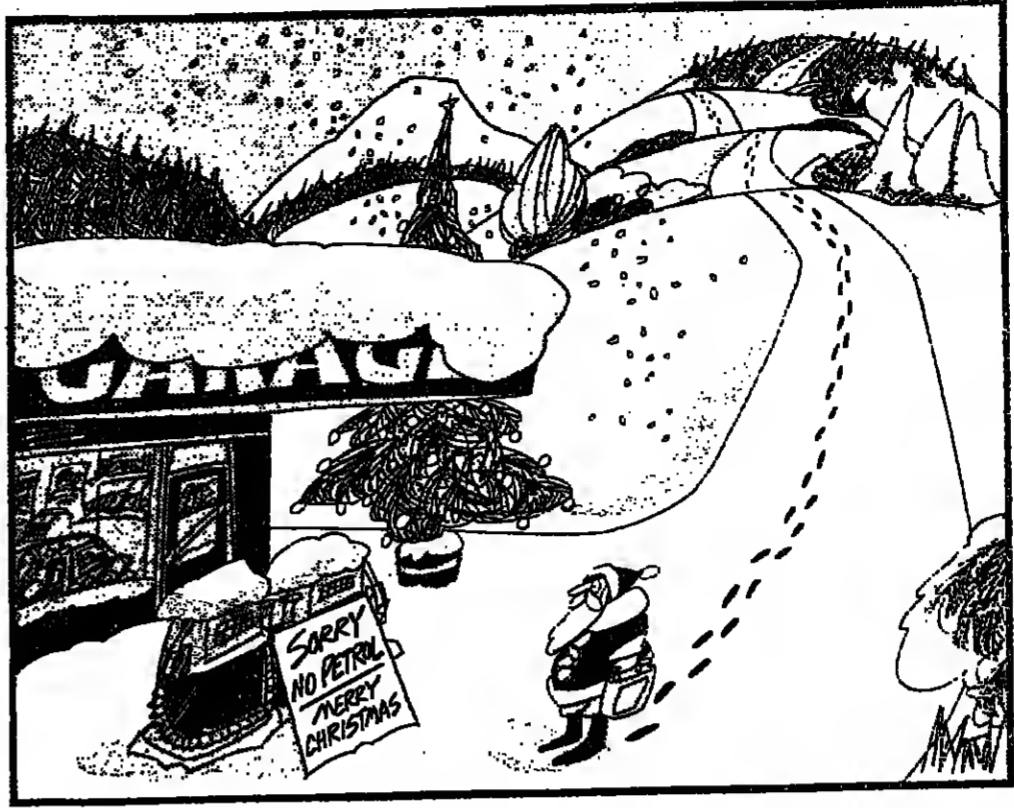
ness, whereas at one time they were the dominant force. The re-emergence of the private collector is blamed, by Mr. Christopher Weston, chairman...

BOOKS

My Worst Christmas

Competition Report by Anthony Curtis, Literary Editor

Competitors in our Books Page Competition were asked to describe, in 20 lines or less...



and crushed the plum pudding. The steward had allowed in the mire. Robert Farrington had another horrendous nautical yarn of a short-out...

that all they had in common, besides us, were grey hair, spectacles, and a firm belief that they were right.

replied "Claret, please." One sensed suppressed rage. "More turkey?" Slyly I accepted the others having refused...

First Prize (for those at school) MY WORST CHRISTMAS The morning was frosty clear. I leaped into the thick wool dress and in a canteen against the...

MY WORST CHRISTMAS I suppose one trouble started when my dad walked out on mum and my little sister. At this time my sister was three but he walked out...

ENTERTAINMENT GUIDE

- THEATRES PALLAQUIM, CC, 01-437 7373, YUL BRYNNER in ROGERS & HAMMERSTEIN'S THE KING OF HEAVEN... CINEMAS THE SLIPPER AND THE ROSE... ART GALLERIES GRIAN GALLERIES, 7, Portchester Place...

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Mr. Jack Rendle remembered a searchlight site in an East Anglian field in 1942 where no one present knew how to control the searchlight. The Detachment Commander found an old dog...

FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

LEADERS AND LAGGARDS ON THE LONDON STOCK EXCHANGE

The 1970s: few winners in the table of honours

A season of cold cheer

"A COLD coming we had of it," as Eliot's Eastern king put it; and it would be idle to pretend that the present prospect is much more attractive than the one which the Magi saw on their winter journey.

Incomes restraint During 1979, in fact, we have slowly and reluctantly been brought to face reality. As the year began, a minority government was trying to maintain the fiction of incomes restraint.

Misleading As a result of the turmoil oil prices have rocketed in the year, with results which according to the OECD have probably destroyed the prospect for any economic growth in the developed world this year.

Letters to the Editor Third airport From Mr. Alan Cornish Sir—May I draw to your attention a serious error of fact in some of the reasoning behind the selection of Stansted as London's third airport?

EEC agriculture From the Director, The European Movement Sir—Mr. Meakin identifies the political colour of the farming communities as a major factor impeding reform of the Common Agricultural Policy.

Temperatures From Mr. D. Foyle Sir—I was interested in the reference to the suggestion that the maximum temperature for workplaces may be cut from 68 degrees to 66 degrees (December 11).

Decline From Mr. N. Feld Sir—I wonder if the Government, the CBI, and the Trade Unions are aware that the problems now affecting the British heavy industries such as British Steel and consensually the coal-mining industry, are the direct result of the fact that the Government have let decline so many labour-intensive "secondary" industries through a lack of any import controls.

Marketing From the Chairman, AID Innovation Communication Design Sir—Would you permit me to support Mr. Keo Webb's contention that "marketing is the key"? So it is. While productivity is important and everyone is right to say so, exclusive focus on it may be misleading and even damaging.

U.S., which proved false, turn out to have been based on misleading measurements of money and credit, and there is much debate on how far our own monetary figures are distorted at present; but flat retail sales, falling business confidence in many countries, and determined anti-inflationary policies by many governments, leave little room for any other outcome.

Positive decisions Government policies are now firmly directed towards the two means by which we can in the end hope to improve our performance: sound finance and structural change. Although the initial consequences look highly negative, and investment may need some encouragement, as the OECD suggests, there is no other route.

Channel link From Mr. Angus Dalgleish, Sir—Ralph Bonwit (December 13) joins those advocating that archaic project, a Channel railway tunnel. He suggests that such a link would be energy saving, but there is no truth in the belief that railways save energy.

Bank unions From the General Secretary, Banking, Insurance and Finance Union Sir—There has been much comment in your columns in recent weeks over staff representation in the banking and financial sector.

Yardley Chase From Mr. Laurence Dewhurst Sir—It is clear that the Study Group on South-East Airports

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Yardley Chase From Mr. Laurence Dewhurst Sir—It is clear that the Study Group on South-East Airports

THERE HAVE been a lot more losers than winners in the stock market during the 1970s. The cult of the equity, which had sustained so many paper fortunes and reputations in the late 1960s, shrivelled up and died before the new decade was four years old. And its passing has brought a fundamental reappraisal of the value of ordinary shares.

In January, 1970, the FT-Actuaries 500 Share Index yielded just under 4 per cent, and stood on a price earnings ratio of nearly 16. And that was at a relatively low point in the stock market cycle. At the bull market peak in 1973, the average yield was down to just 3.1 per cent.

Cushioned impact High inflation has been accompanied by high interest rates, and the result is that the yield on long-dated gilts has risen from around 9 per cent at the start of the period to the current level of more than 14 per cent.

Positive decisions Government policies are now firmly directed towards the two means by which we can in the end hope to improve our performance: sound finance and structural change.

Bank unions From the General Secretary, Banking, Insurance and Finance Union Sir—There has been much comment in your columns in recent weeks over staff representation in the banking and financial sector.

Yardley Chase From Mr. Laurence Dewhurst Sir—It is clear that the Study Group on South-East Airports

Bank unions From the General Secretary, Banking, Insurance and Finance Union Sir—There has been much comment in your columns in recent weeks over staff representation in the banking and financial sector.

Yardley Chase From Mr. Laurence Dewhurst Sir—It is clear that the Study Group on South-East Airports

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THE TEN-YEAR LEAGUE TABLES

Table with 6 columns: TEN YEAR WINNERS, FIVE YEAR WINNERS, ONE YEAR WINNERS, TEN YEAR LOSERS, FIVE YEAR LOSERS, ONE YEAR LOSERS. Lists company names and percentage changes.

of the two previous decades. These patterns have been faithfully reflected in share price movements on the Stock Exchange. The worst performing sectors in the stock market during the 1970s have been textiles, motors and distributors, and household goods.

Stock market differences

Share prices in these sectors have also performed badly in the second half of the decade and particularly during 1979, when it has seemed as if there were two stock markets, moving in opposite directions.

company which has probably tackled the problems of poor productivity and inefficient financial management more successfully than any other major force in British industry.

Impressive success

This business background makes the success of the two manufacturing heavyweights on the list—Racal and BTR—look all the more impressive. Pre-tax profits of Racal totalled £1.7m in 1970; this year, they could be nearer £65m.

former—Time Products, which is a classic success story of the 1970s.

Don't miss the NAP shares for 1980

The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 23 years, including that of the 1979 selections. If you had invested £1,000 in the 1957 Nap Selections and reinvested the proceeds at the end of each year in the new annual selections, your initial £1,000 would now be worth £258,201 before gains tax and expenses against a mere £1,657 if you had invested in the FT Index and 55,582 if you had managed to keep pace with inflation.

But of course the big winners of the year—and the decade, for that matter—have not featured in the UK sector of the stock market at all. In January 1970, the price of gold in London was already pegged at \$35 an ounce. By the end of 1974 it was up to \$186, and although there was a sharp correction in the next couple of years, the price has again been powering ahead.

Letters to the Editor

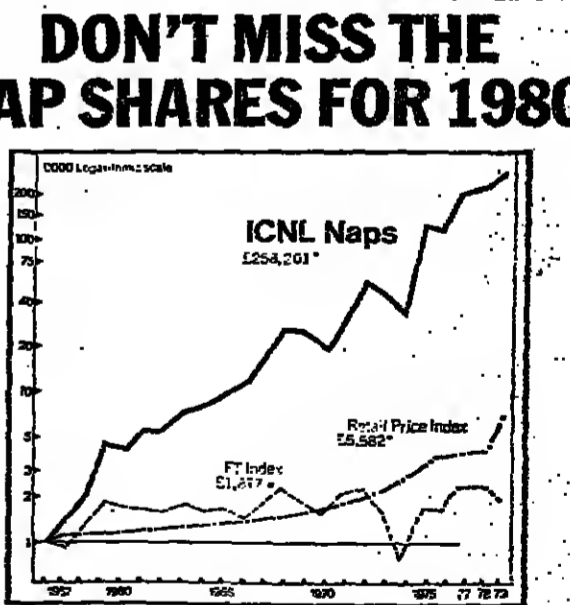
Third airport From Mr. Alan Cornish Sir—May I draw to your attention a serious error of fact in some of the reasoning behind the selection of Stansted as London's third airport?

EEC agriculture From the Director, The European Movement Sir—Mr. Meakin identifies the political colour of the farming communities as a major factor impeding reform of the Common Agricultural Policy.

Temperatures From Mr. D. Foyle Sir—I was interested in the reference to the suggestion that the maximum temperature for workplaces may be cut from 68 degrees to 66 degrees (December 11).

Decline From Mr. N. Feld Sir—I wonder if the Government, the CBI, and the Trade Unions are aware that the problems now affecting the British heavy industries such as British Steel and consensually the coal-mining industry, are the direct result of the fact that the Government have let decline so many labour-intensive "secondary" industries through a lack of any import controls.

Marketing From the Chairman, AID Innovation Communication Design Sir—Would you permit me to support Mr. Keo Webb's contention that "marketing is the key"? So it is. While productivity is important and everyone is right to say so, exclusive focus on it may be misleading and even damaging.



Don't miss the NAP shares for 1980. The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 23 years, including that of the 1979 selections. If you had invested £1,000 in the 1957 Nap Selections and reinvested the proceeds at the end of each year in the new annual selections, your initial £1,000 would now be worth £258,201 before gains tax and expenses against a mere £1,657 if you had invested in the FT Index and 55,582 if you had managed to keep pace with inflation.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

British Vita announced the terms of an agreed bid for Vita-Tex the warped knitted fabric concern. Vita-Tex shareholders are offered three alternatives, including a cash offer of 120p per share.

The major deal of the week involved two overseas motor-car manufacturers. Renault of France and Volvo of Sweden are to link their passenger car operations more closely.

Table with columns: Company bid for, Value of bid per share, Price before bid, Value after bid, Bidder, Final Acct'ce date. Lists companies like Antofag. Rail, Cableform, CIBSE, etc.

Table with columns: Company, Value of bid per share, Price before bid, Value after bid, Bidder, Final Acct'ce date. Lists companies like Sundeeman (G.), Scottish Homes, Spillers, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit, Earnings, Dividends. Lists companies like A-Stock Petroleum, Inmet Brothers, BOC International, etc.

Rights Issues

Associated British Engineering: Raising £836,000 on the basis of four new ordinary shares for each preference share and one for one in ordinary shares.

Scrip Issue

Marston, Thompson and Evershed: One-for-one.

INTERIM STATEMENTS

Table with columns: Company, Half-year, Pre-tax profit, Interim dividends. Lists companies like AB Engineering, Booth (John), Border TV, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Jan., Last, April, Last, July, Last, Stock. Lists various options series like ABN C, AMN C, etc.

BASE LENDING RATES

Table with columns: Bank Name, Rate. Lists banks like A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

ERRATUM

To Investment Trust Table published 21.12.79. Valuation Monthly: G.T. Management, Northern Securities Trust, Col. 7 should read 187.0.

INSURANCE BASE RATES

Table with columns: Property Growth, Vanbrugh Guaranteed, Address. Lists rates like 131%, 14.62%, etc.

CORAL INDEX: Close 414-420 (-3)

Changes at Amalgamated Metal Chairman of Scottish Equitable

Mr. Michael Connor has been elected chairman of AMALGAMATED METAL TRADING from January 1. Sir John Saunders, chairman since May, 1977, has decided to reduce his City commitments and will retire on December 31.

Eden Vale is taken by Mr. Paul Wilkinson. Express Creameries is the cheese and butter division of Express Dairy Foods.

Mr. George Heisley, in addition to being group managing director, has been appointed chief executive of the construction division of BURNETT AND HALLAMSHIRE HOLDINGS.

Other changes on the board of AMT involve the resignation of Mr. V. H. Sber (who remains director of corporate finance of AMC) and the appointment of Mr. K. D. Leitch and Mr. M. A. Sharples.

Dr. Fritz Laeger has been appointed manager of BANK JULIUS BAER AND CO. AG. Zurich, from January 1.

The Print Master has re-appointed Mr. Michael Robbins, and Mr. Elliott Ymey as governors of the MUSEUM OF LONDON. Mr. Robbins is managing director, railways, London Transport, and Mr. Ymey is director of the British Printing Corporation.

Mr. Niklaus G. Banmann has been named a partner in the Basle private bank H. STUBBENZER & CO. BANQUIERS, from January 1.

Mr. J. Taylor is being appointed a director of BACON EVERETT MORRIS AND ASSOCIATES, part of the Devitt Laogto and Dawday Day Group, from January 1.

The KLEEMAN PLASTICS GROUP has appointed Mr. Ken Lloyd (previously with Glacier Metal Company) as director and general manager of Comoy Components.

Following the acquisition of BRITISH NATIONAL LIFE INSURANCE SOCIETY by Arco Equity Corporation of the U.S., the new Board will be: Mr. H. T. Cohn, Mr. L. J. Cordie (managing director), Mr. P. G. Barnard, Mr. D. W. Ingram, Mr. A. W. McCall, Mr. J. P. Manning, Mr. G. D. Miller and Mr. C. P. Scott.

NEXOS OFFICE SYSTEMS states that Mr. P. E. Botton is to join its main Board as sales and marketing director on January 1.

Mr. Christopher Nelson, formerly executive director of Eden Vale, has taken over EXPRESS CREAMERIES as executive director. His place at Mrs. Edith Fairbairn has

been appointed an executive director of EDINBURGH FINANCIAL AND GENERAL HOLDINGS.

Dr. Max Steiner will retire from the group management of SULLZER BROTHERS, Winterthur, on May 7, and will be succeeded by Mr. Peter Sulzer.

Mr. John Mays has joined GRINDLAY BRANDT'S INSURANCE BROKERS as the director responsible for the overseas offices of the insurance group in Riyadh, Singapore and Jakarta.

Mr. John D. Harris has joined BANKERS TRUST COMPANY as a vice president. He is resident in Hong Kong as a director of the wholly-owned merchant banking subsidiary of the Bankers Trust group in the Asia-Pacific region.

Mr. E. K. Gonstable is appointed a director of NORMAN FRIZZELL LIFE AND PENSIONS from January 1.

THE MANCHESTER SHIP CANAL COMPANY states that Mr. R. J. F. Taylor, formerly an executive director of Ocean Transport and Trading, will join the company on January 1 as general manager.

Mr. Michel M. Favre has been appointed vice-president, international and hotel division, of the Swiss catering concern MOEVENPICK - UNTERNEHMEN UNGEN, Adliswil. He was formerly general manager for the Intercontinental Group to the UK.

Mr. Alan R. Deal has been appointed chairman of E. J. RILEY upon the retirement of Mr. John W. Hindle. Mr. Deal, a chartered accountant, has been vice-chairman of E. J. Riley since its introduction to the Stock Exchange in 1977.

Mr. John Kinloch, assistant managing director, has been appointed managing director of J. AND H. E. JACKSON. Mr. P. J. White, the chairman, continues as chief executive. Mr. R. F. Hayes has been appointed secretary of the company.

Mr. Martin Pender has been appointed assistant director of the banking division of STANDARD CHARTERED MERCHANT BANK. Mr. Thomas Pomeroy has been elected assistant director of the international bonds division.

Mr. E. Norris has been appointed chairman of both Hartley Cooper Holdings and Hartley Cooper and Company. Mr. M. J. Grant has been appointed chairman of Hartley Cooper UK.

Mr. J. P. F. Ive has resigned on grounds of ill-health as chairman and as a director of HARTLEY COOPER HOLDINGS and also as chairman of both Hartley Cooper and Company and Hartley Cooper UK.

Dr. Frank McCapra, reader in chemistry at the UNIVERSITY OF SUSSEX, has been promoted to a professorship from October 1, 1980.

THE STOCKHOLDERS INVESTMENT TRUST LIMITED

Managers—JOHN GOVETT & CO. LIMITED

Table with columns: Year ended, Earnings, Dividend, Asset Value. Lists years 1975, 1976, 1977, 1978, 1979.

Points from the Chairman's Statement: Total earnings per share increased from 2.74p to 4.24p including 0.8p representing special dividends paid on the relaxation of dividend controls.

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The Moneybuilder is an important new idea from Gartmore to make unit trust investment as easy and straightforward as using a savings bank.

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To start your plan: Simply fill in the coupon below, send it to us and we will forward you full details of the Plan together with an application on the range of Gartmore unit trusts. Remember that because you are investing in shares, the value of your Moneybuilder Plan can go down as well as up.

Form with fields for Name, Address, and other details for starting a Moneybuilder Plan.



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27/28 Lovat Lane London EC3R 5EB Telephone: 01-638 6651

Table with columns: 1978-79 High/Low, Company, Price Change, Div. Ytd, P/E. Lists companies like Aarsprung Group, Arncliffe and Rhodes, etc.

Companies and Markets

WORLD STOCK MARKETS

Early easiness on Wall St.

NEW YORK Stock table with columns for stock name, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16. Includes entries like Columbia Gas, Columbia Pict., Dom. Ins. Am., etc.

NEW YORK Indices table with columns for Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14. Includes entries for Dow Jones, S&P 500, etc.

Stock table with columns for stock name, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16. Includes entries like GM, GM Stock, GM Truck, etc.

Indices table with columns for Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14. Includes entries for Australia, Austria, Belgium, etc.

PRICES EASED in active trading on Wall Street yesterday, pulled down by profit-taking in the Energy Group and year-end tax selling.

Closing prices for North America were not available for this edition. January 1 will go ahead with previously announced increases in other products.

PRICES EASED in active trading on Wall Street yesterday, pulled down by profit-taking in the Energy Group and year-end tax selling.

Prices closed higher in active trading, although initial gains were curbed by late profit-taking. Volume 570m (\$20m) shares.

changed despite TNT getting clearance for a bid for the company. Diamonds continued firm with Ashford rising 15 cents to AS255.

Johannesburg Gold shares firmer after a fairly quiet day's trading. Mining Financials were steady to firmer, but Gemma rose 22.

Milan Prices closed marginally higher, following from London's earlier rise. Transco fell sharply.

Amsterdam Prices closed steady despite its 25 per cent increase in profit for the first nine months.

PARIS Most sectors, except Foreign stocks, showed moderate gains in reasonably active trading.

FRANCE Emprunt 4 1/2 1983 1.541 -8. Emprunt 7 1/2 1983 5.916 -69.

ITALY ANIC... 3.75 +1.3. ANS... 1.50 -0.1. Alfa Romeo... 2.50 +0.1.

NORWAY Bergson Bank... 108. Borggaard... 70. Credit Bank... 181.

GERMANY AEG-Telof... 36.5. Allianz Vors... 475. Bayer... 125.

Stock table with columns for stock name, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16. Includes entries like Schlitz, Schlitz Beer, Schlitz Brew.

Stock table with columns for stock name, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16. Includes entries like Hilti, Hilti Corp, Hilti Ind.

Stock table with columns for stock name, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16. Includes entries like Hilti, Hilti Corp, Hilti Ind.

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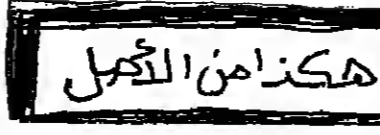
Stock table with columns for stock name, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16. Includes entries like Hilti, Hilti Corp, Hilti Ind.

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

DEUTSCHE BABCOCK

Order boom boosts 1980 outlook

DEUTSCHE BABCOCK, the West German power engineering and plant construction group, recorded a sharp increase in sales and new orders during the 1978-79 business year...

above all a general upswing in the German economy and a favourable investment climate which has revived domestic demand.

scale overseas orders—this is in spite of the problems that the company has been experiencing on overseas markets because of the strength of the Deutschmark against such currencies as the yen and the dollar.

production abroad, especially in the U.S., South America and South Korea, by diversifying away from directly related power station work into plant construction...

TNT bids for joint ownership of Ansett

By James Forth in Sydney THOMAS Nationwide Transport (TNT) plans to make a \$48.5m (US\$53.6m) offer to buy the remaining 27.5 per cent of the capital of Ansett Transport Industries (ATI) held by the public.

Isuzu expected to form its own sales network in U.S.

GENERAL MOTORS confirmed yesterday that it is expecting Isuzu Motors, the Japanese company in which it has a 34 per cent stake, to start exporting independently to the U.S.

expensive and GM switched its supply base to Japan. GM's shift towards producing more compact and subcompact vehicles, however, is bringing it into competition with Isuzu.

Olivetti agrees labour cutbacks with unions

OLIVETTI, the leading Italian mechanical engineering and electronics group, yesterday reached what it claimed was a "major agreement" with the trade unions over the company's plan to rationalise its current labour situation.

Dividend expected from SSIH

THE SWISS watch industry consortium, Societe Suisse pour l'Industrie Horlogere (SSIH), of Biemme Horlogerie, is expected to resume dividend payment for the holding company's financial year ending March 31 1980.

Satisfactory business is recorded for the "Omega" and "Tissot" watch brands and for a number of other activities including the retail business, while the equipment sector and particularly the cheaper watch brands continued to meet with considerable difficulties.

The Zurich trading house Siber Hegner, has itself taken over the Belgian sales company Ultimate Watch, the New York agent Norman Merris Corporation and the Star Watch Case, of J. Hinton, Michigan, in the past few months.

The First Viking Commodity Trust. Commodity OFFER 37.9 Trust BID 36.0. Includes details of the trust and contact information.

Kenana plant to open shortly

THE KUWAIT sugar scheme in Sudan, conceived and managed by Lonrho, is now expected to produce its first sugar in late February or early March 1980, according to the company's chairman, Dr. Besbir Abbas.

The Sudan Government is the biggest shareholder in Kenana. Other major shareholders include the Saudi Arabian Government and the multi-state Arab Investment Company.

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New plan for Petro-Canada

MR. JOE CLARK, the Canadian Premier, has confirmed that a re-elected Progressive Conservative Government would retain effective control of the national oil company Petro-Canada, set up by the Trudeau Government about five years ago.

A large proportion of Petro-Canada's shares would, however, be given away to Canadian citizens, he said to them.

National Semiconductor advance

NATIONAL SEMICONDUCTOR, the major manufacturer of semiconductor components which in September took over the IBM compatible computer operations of Intel Corporation, has recorded another sharp rise in earnings in the second quarter of the year.

National said the memory products continue to remain in high demand and shipments reached a new high in the second quarter.

Winsor Industrial raises interim

HONG KONG textile group, Winsor Industrial, is lifting its interim dividend by 2 cents to 12 cents a share on the back of sharply higher profits for the six months ended September 30.

ordinary interests are 31 per cent ahead at HK\$59.1m (\$12m) compared with HK\$45.1m. Group chairman TK Ann said yesterday that he expected the results for the year as a whole to compare favourably with 1977-78.

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COMMODITIES/REVIEW OF THE WEEK

Producers' pact lifts cocoa market

News that cocoa producing countries had agreed on a minimum price below which they would not export to the world market boosted London futures values early in the week.



MARKET REPORTS

BASE METALS

COPPER—Higher on the London market, copper prices advanced in the morning. Some end-user lightness later checked the trend, forcing metal prices to retreat.

SILVER

Silver was fixed 0.15p an ounce lower for spot delivery in the London bullion market, ending at 107.25p.

RUBBER

The London physical market opened unchanged, with little interest throughout the day, closing on a quiet note.

AMERICAN MARKETS

NEW YORK, Dec. 21. DESPITE VERY tight trading before the holiday weekend, gold and silver advanced in the afternoon and closed at or near their day's highs due to short-covering and commission house buying also pushed copper prices sharply higher.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities including metals, oil, and grains. Columns include commodity name, price per unit, and percentage change.

LEAD

Table showing lead prices in London and other markets. Includes columns for price and change.

COFFEE

Table showing coffee prices for various types and origins. Includes columns for price and change.

SOYABEAN MEAL

Table showing soyabean meal prices. Includes columns for price and change.

INDICES

Table showing various financial indices including Dow Jones, Moody's, and Reuters. Includes columns for index name and value.

Financial Times Saturday December 22 1979

Table listing various financial instruments, bonds, and securities with their respective values and market status.

Table listing various financial instruments, bonds, and securities, including international and domestic offerings.

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CURRENCIES, MONEY AND GOLD

UK MONEY MARKET
Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)
The Treasury bill rate fell by 0.0125 per cent to 15.50 per cent and the minimum accepted bid rose to 2.05 per cent.

EXCHANGES AND BULLION
Trading was predictably quiet on the last Friday before Christmas. The market was faced with a small increase in the sale of Treasury bills to finance.

THE GOLD MARKET AND FORWARD
Table showing gold prices and forward rates for various currencies.

Table showing exchange rates for various currencies including US Dollar, Deutschmark, Japanese Yen, etc.

EXCHANGE CROSS RATES
Table showing cross rates between various currencies such as Pound Sterling, US Dollar, Deutschmark, etc.

Table showing currency movements and market trends for various international currencies.

LOCAL AUTHORITY BOND TABLE

Table listing local authority bonds with details on interest rates and maturity dates.

BUILDING SOCIETY RATES

Table listing building society rates for various products like Abbey National, Aid to Thrift, etc.

RUBBER (6)

Table listing rubber market prices and trends.

COMMONWEALTH RAILWAYS

Table listing railway companies and their financial performance.

FOREIGN RAILWAYS

Table listing foreign railway companies and their financial performance.

SHIPPING (20)

Table listing shipping companies and their financial performance.

CANALS (3)

Table listing canal companies and their financial performance.

LONDON MONEY RATES

Table showing London money rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

OTHER MARKETS

Table listing other market rates and trends.

U.K. CONVERTIBLE STOCKS 21/12/79

Table listing U.K. convertible stocks with details on prices and yields.

CURRENCY MOVEMENTS

Table showing currency movements and market trends for various international currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

OTHER MARKETS

Table listing other market rates and trends.

U.K. CONVERTIBLE STOCKS 21/12/79

Table listing U.K. convertible stocks with details on prices and yields.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts under the heading 'Discretionary Unit Fund Managers'. Includes columns for fund names, managers, and dates.

Table listing various unit trusts under the heading 'Insurance Property Bonds'. Includes columns for fund names, managers, and dates.

Table listing various unit trusts under the heading 'Offshore & Overseas Funds'. Includes columns for fund names, managers, and dates.

NOTES: This is an abridged version of the information... Please refer to the full version for complete details.

Continued on previous page



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds including Treasury Short, Treasury Long, and various equity funds with columns for Name, Price, and % Change.

Table of Five to Fifteen Years Treasury funds and Over Fifteen Years Treasury funds.

Updated

Small table of updated fund information.

INTERNATIONAL BANK

Table of International Bank shares.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans.

LOANS

Table of various Loans including Public Board and Ind. and Financial.

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FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails including Anglo-Continental, Anglo-French, etc.

AMERICANS

Table of American Stocks including ANF, Amstar, American Cyanamid, etc.

CANADIANS

Table of Canadian Stocks including B.C. Minerals, Bell Canada, etc.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase including ANZ, Citicorp, etc.

BANKS & HP—Continued

Continuation of Banks & HP table.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits including Allied, B&A, etc.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads including Associated, B&A, etc.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals and Plastics including Croda, ICI, etc.

DRAPERY AND STORES

Table of Drapery and Stores including J&S, J&S, etc.

ELECTRICALS

Table of Electricals including A.S., B&S, etc.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics including Alkyl, Amstar, etc.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools including A.I., A.P., etc.

ENGINEERING—Continued

Continuation of Engineering table.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. including Anglo, B&S, etc.

Table of Hotels and Caterers including H&R, H&R, etc.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) stocks including A.A., A.S., etc.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various manufacturing firms with columns for stock name, price, and change.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

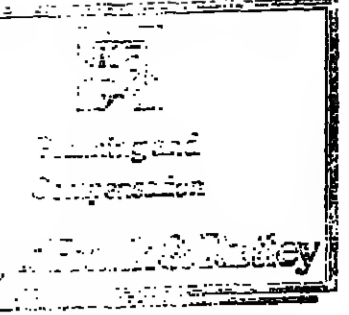
Table of property stocks including companies like British Land, Guinness, and various real estate related firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Overseas Airways, British Airways, and various investment funds.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like British Bankers' Association, and various financial institutions.



LEISURE

Table of leisure stocks including companies like British Telecom, British Airways, and various entertainment related firms.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trade stocks including companies like British Aerospace, and various automotive related firms.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International, and various media related firms.

PAPER, PRINTING

Table of paper and printing stocks including companies like Newsprint, and various printing related firms.

PROPERTY

Table of property stocks including companies like British Land, Guinness, and various real estate related firms.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways, and various shipping related firms.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Overseas Airways, and various footwear related firms.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, and various mining related firms.

TEXTILES

Table of textile stocks including companies like British Overseas Airways, and various textile related firms.

TOBACCO

Table of tobacco stocks including companies like British Overseas Airways, and various tobacco related firms.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Bankers' Association, and various financial institutions.

OIL & GAS

Table of oil and gas stocks including companies like British Petroleum, Shell, and various energy related firms.

OVERSEAS TRADERS

Table of overseas traders stocks including companies like British Overseas Airways, and various international trade related firms.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like British Overseas Airways, and various commodity related firms.

TEAS

Table of tea stocks including companies like British Overseas Airways, and various commodity related firms.

CENTRAL RAND

Table of central rand stocks including companies like Anglo American, and various mining related firms.

EASTERN RAND

Table of eastern rand stocks including companies like Anglo American, and various mining related firms.

FAR WEST RAND

Table of far west rand stocks including companies like Anglo American, and various mining related firms.

G.F.S.

Table of G.F.S. stocks including companies like British Overseas Airways, and various commodity related firms.

FINANCE

Table of finance stocks including companies like British Bankers' Association, and various financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, and various mining related firms.

Vertical text on the right side of the page, likely containing market commentary, news, or additional financial data.

INSURANCE

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

Food industrial valuers

MAN OF THE WEEK

France's flag carrier

BY TERRY DODSWORTH

RENAULT, the French motor company which has just bought itself a slice of Volvo's car builders, has had only three chairmen since it was nationalised in 1946. The first, M. Pierre Lefaucieux, was a dynamic left-wing businessman who drove the company forward at such a pace that he left his private sector competitors standing at the starting line. The second, M. Pierre Dreyfus, was a polished top civil servant who consolidated Renault's position as the (then) leading French car manufacturer and exporter.

The third, M. Bernard Vernier-Palliez, looks as though he will go down as the man who turned La Regie, as it is known, into a truly international group.

The chairmanship of Renault is an altogether unique thing in French industry. Because of



Bernard Vernier-Palliez Has turned Renault into a truly international group

the group's status, it is seen as a flag carrier for France overseas, while its reputation for labour reform at home has made it a key influence on the development of industrial relations. The chairman, appointed by the Cabinet, is directly responsible to the Government and must give a formal account of his long-term plans at least once a year.

Vernier-Palliez, 61, bears all of these responsibilities with the air of the well-trained company man that he is. He entered Renault in 1946 after a war career in the Resistance and the Free French Army, and since then has never been far from the centre of power. "I have done everything there is to do in this company," he once said, "and today I am part of the furniture."

Because of this relatively sheltered in-house background, Vernier-Palliez was not the automatic choice for the job back in 1975. Some outsiders were in the running. He has shown, however, that behind his reserved exterior he has just as much drive as his predecessors, and he has pushed ahead with a policy of international investments which would have frightened a really cautious man. In this year there have been two in the U.S., one in Portugal, and one in Sweden.

The Vernier-Palliez era has also been noted for Renault's strong reiteration of its faith in its traditional business of cars and trucks. In the period after the 1973 oil crisis, some Renault bosses were predicting a 50/50 balance between vehicle interests and diversified operations. Vernier-Palliez has never been keen on overdiversification and he has hauled the company back on line with his big expansion plans. These are not finished: against a current output of 1.9m cars a year, Renault is aiming for 2.5m by 1985.

This policy has not met with any obvious Government opposition. This is partly, perhaps, because he gets on well with M. Raymond Barre, the Prime Minister, who shares his international outlook, and partly because of his years of experience of the administrative labyrinth.

But he also has two other advantages in the subtle play of interests between the company and the State. First, he has taken on responsibility for reorganising the country's dramatically unprofitable truck business, despite widespread warnings of failure. Secondly, he has kept Renault on an even financial keel. The company has continued to pay its dividends to the Government, and the new acquisitions will not, entirely require any additional State funding beyond the normal capital increase of the FF 175m (\$42.7m) this year and the FF 250m next. Renault remains for the present the shining example of the French nationalised systems.

Chrysler chief faces rescue plans row

BY IAN MARGREAVES IN NEW YORK

MR. LEE IACOGCA, chairman of Chrysler, was due yesterday to face his company's bankers at the opening of what promises to be a stormy effort to persuade them to fall in line with the Government's Chrysler rescue programme.

The final ribbons and bows were tied on to the Government package by a conference of House and Senate legislators late on Thursday night. But bankers are already warning privately that they will not accept certain features of the proposal.

The plan behind which Congress and the Carter Administration have united calls for a \$3.5bn package which would be made up of \$1.5bn to Government guaranteed loans and \$2bn in new loans and concessions from Chrysler workers.

Most of the problems, about

which Mr. Iacocca will be closely questioned, concern the level of security on these loans. The Bill gives prime security and therefore first call on the proceeds of liquidated assets in the event of a Chrysler bankruptcy to the state and local governments being asked to pump in \$250m.

Second call goes jointly to the Government-backed loans and the new money put in by banks. Last in line would be the existing bank credits.

On the basis of the most recent valuations of Chrysler's assets, bankers believe that this arrangement provides virtually no security for their \$800m existing loans, whereas they say, if the company were forced into bankruptcy now they might well recover \$400m.

Another grumble among

bankers is the Bill's failure to call for any sacrifice from the pension fund with heavy Chrysler commitments.

The other group closely involved in the next stage of bargaining is the United Auto workers, which to meet the terms of the Bill must negotiate its three-year wages contract to provide \$462.5m in concessions.

Union leaders yesterday set January 2 as the date to reopen negotiations and appeared confident that the membership would accept the terms.

One immediate problem being worked on by the Treasury is how to find the \$500m Chrysler needs to stave off a cash crisis in mid-January.

The Bill grants a good deal of flexibility for the Government in supplying the first tranche of aid once "adequate assurances" of matching funds are obtained.

Record public spending

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

EXPENDITURE ON goods and services by central and local Government rose to a record level in the first half of the current financial year.

Central Statistical Office figures for Gross Domestic Product published yesterday show that the volume of Government final consumption in the first half of 1979-80 was 21 per cent higher than the average for 1978-79.

This was a major factor in the upward pressure on public sector borrowing during the first half of the financial year before the Budget spending cuts and cash limits squeeze had time to work through.

Government final consumption is only part of public spending. The other main components are transfer payments, such as social security benefits, which probably continued to grow in the period, and public sector investment, which may have fallen.

The provisional estimate for GDP in the July to September period shows that the underlying profits of industry rose during the summer.

Gross trading profits of industrial and commercial companies net of stock appreciation—that is after adjusting for the cost of financing stocks at

OUTPUT AND PROFITS			
	Gross Domestic Product — average estimate 1975=100	Industrial and Commercial Companies—gross trading profits net of stock appreciation, £m	
1978	1st	105.8	3,897
	2nd	107.2	3,849
	3rd	109.0	4,479
1979	1st	107.6	4,152
	2nd	117.7	3,951
	3rd	109.6	4,720

Source: Central Statistical Office, all figures seasonally adjusted

higher prices—rose by 1.6 per cent to £4,720m between the second and third quarters.

But this includes a rapidly rising contribution from North Sea oil activities, already reflected in BP's published profits. It is likely that later, more detailed figures will show that the real profits of the rest of British industry fell during the period.

On a longer-term comparison gross trading profits net of stock appreciation in the first nine months of this year were only 9 per cent higher than in the same period of 1978. The general expectation is

that, after excluding North Sea oil operations, real profits will fall over the next 12 months in response to the recession and the squeeze produced by a strong exchange rate and rising costs.

The new official figures also confirm that the output measure of GDP—usually the best indicator of short-term movements—fell by 2 per cent between the second and third quarters of this year. This reflects both the effect of disputes in the engineering and allied industries and the particularly high level of economic activity in the previous three months.

Company 'failed to keep pledge'

By William Hall, Shipping Correspondent

THE DEPARTMENT of Trade has said that Eurocanadian Shipholdings' divestment of 18.6 per cent of its stake in Furness Withy does not fulfil the undertaking the company gave to the Government in 1976. This is the first time it has had to make such a ruling.

Following a Monopolies and Mergers Commission report in 1976, Eurocanadian undertook to reduce its stake in Furness Withy from 24.9 per cent to not more than 10 per cent by December 28 this year.

Last month Mr. Frank Narby, chief executive of Eurocanadian, came up with a scheme whereby the Furness Withy shares would be transferred to the shareholders of Eurocanadian. Under the arrangements, Dolphin Investments (Mr. Narby's family investment vehicle) received 11.2 per cent of the Furness equity and Mr. Narby announced his resignation as chief executive of Eurocanadian with effect from January 1 next year. Another 3.9 per cent went to Helix Investments (essentially the interests of the Webster family of Canada and 3.3 per cent went to Canadian National Railways.

Mr. Narby believed that this fulfilled his undertaking to the Secretary for Trade. However, the Department does not agree and intends to tell Dolphin, Helix and Canadian National Railways of its decision.

It is clear that the Department cannot force Eurocanadian to sell its shares as was intended. Instead, the Secretary of State is prepared to bring forward a statutory Order to ensure that Eurocanadian cannot use the shares to gain board representations—effectively disenfranchising the shares.

Gibbs takeover talks

By MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE Hongkong and Shanghai Banking Corporation is discussing a take-over of Antony Gibbs, the small City merchant banking concern.

The Hong Kong-based bank already owns 40 per cent of Gibbs, having taken an initial 20 per cent stake in 1973. News of the bid approach added 22p to the Gibbs shares which closed at 71p yesterday, valuing the London bank at almost £14m.

Antony Gibbs is a member of the exclusive Accepting Houses Committee of London merchant banks. As such it is subject to possible Bank of England restrictions on the extent of foreign ownership of its capital.

Mr. John Baring, chairman of the Accepting Houses Committee, said last night that the Gibbs position would have to be considered. There were no rules strictly prohibiting such a move.

Mr. Geoffrey Fitton, finance director of Gibbs, thought that the merchant bank's future membership of the committee might depend on whether Hongkong and Shanghai was regarded as a British bank because it is based in a British colony.

Continued from Page 1
Steel strike

Continued from Page 1
Rhodesia

PF guerrillas in 16 and possibly more assembly places. In Salisbury, the Governor failed to announce dates for the planned election to be held two months after the ceasefire date. Mr. Nicholas Fenn, the Government's spokesman, said a decision would probably be made next week.

Weather

UK TODAY
FOG then bright spells. Rather cold. London, C.8. and C.N. England, Midlands
Fog patches then sunny intervals. Wind variable. Cold. Max. 4C (39F).
S.E. and E. England, E. Anglia, Channel Isles
Sunny intervals. Mostly dry. Coastal snow. Max. 4C (39F).
S.W. England, S. Wales
Sunny intervals then cloudy. Max. 6C or 6C (42F).
N. Wales, N. England, Lakes
Fog then bright. Snow on hills. Max. 4C (39F).
I. of Man, Borders, C. Scotland
Cloudy. Rain. Snow on hills. Max. 6C (43F).
Argyll, N.W. Scotland, Orkney, Shetland
Rain at first. Sun and showers later. Max. 6C (43F).

WORLDWIDE		
	Y day	Y day
	C	F
Aleppo	14	57
Amman	13	55
Bombay	15	59
Buenos Aires	22	72
Cairo	18	64
Hankow	11	52
Hong Kong	16	61
London	8	46
Lyons	10	50
Manila	26	79
Mexico	21	70
Moscow	12	54
New York	15	59
Paris	10	50
Rangoon	28	82
Shanghai	16	61
Singapore	25	77
Tokyo	17	63
Winnipeg	10	50
Zurich	11	52

Revenue powers may be probed

By Ivor Owen, Parliamentary Staff

THE GOVERNMENT is considering establishing an inquiry into the Inland Revenue's powers to enter business premises and the private homes of executives whose companies are under investigation.

Mr. Peter Rees, Treasury Minister of State, told the Commons of the possible inquiry yesterday when he replied to complaints by Mr. David Atkinson, Conservative MP for Bournemouth E., about the methods used by Value-Added Tax and Inland Revenue inspectors.

The move follows Inland Revenue raids on the Rossminster tax advisory and financial management group and on the homes of some Rossminster directors. The Revenue action was ruled unlawful by the Appeal Court, but that judgment was reversed by the Lords.

Mr. Rees himself has been criticised by Labour MPs for holding a Treasury post when the affairs of Rossminster, for which he acted as legal adviser while practising at the Bar before the general election, are the subject of an Inland Revenue investigation.

In the Commons yesterday Mr. Rees referred to statements by Lord Wilberforce in the leading judgment in the Lords last week when the earlier decision by Lord Denning, Master of the Rolls, in favour of the Rossminster group was overturned.

"The integrity and privacy of a man's home and his place of business—an important human right—has since the Second World War been eroded by a number of Acts passed by Parliament," Lord Wilberforce had said.

Mr. Rees commented: "What was said on that occasion will, I have no doubt be studied inside and outside this House, and the proper lessons will be drawn."

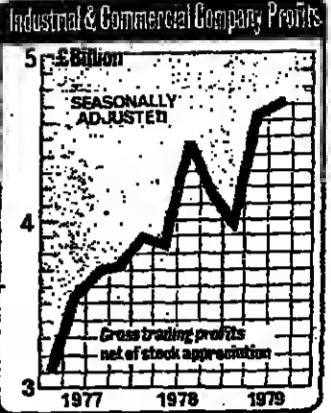
But he doubted whether it would be possible to devise a single code of practice for both VAT and Inland Revenue inspectors because there were some differences in the legal provisions governing the two departments.

An earlier report had shown that, of 400,000 visits in a year to traders' premises, only 150 complaints were made regarding the behaviour of VAT officers. And careful investigation had shown only 29 of those to have been wholly or partly justified.

THE LEX COLUMN

Cold front over Jersey

Index fell 0.6 to 419.6



The jobbers' price lists of gilt-edged stocks took on a festive appearance yesterday morning as the medium- and long-dated issues were marked up to take account of the interest that will accrue over the Christmas holiday. A few funds still seemed to be buying to window-dress their books for the end of the year, but trading was very thin, particularly in equities.

The more sober elements in the gilt-edged market remembered that Treasury 15 per cent 1985 will go special ex-dividend for the first and last time on Thursday, which will give it some attraction for net funds. This stock closed £1 higher at £102½, with accrued interest representing around £11 of the price.

M & G could just be the tip of the iceberg. News that the Inland Revenue is contesting the tax exempt status of its foreign life fund comes a matter of weeks after it emerged that the tax authorities are also taking a close look at the tax treatment of sterling deposit funds operating from the Channel Islands. There are indications that this represents part of a serious attempt by the Revenue to crack down on the growing use of offshore funds for purposes of tax avoidance.

There is nothing particularly unusual about the business which M & G has been writing. The only way in which it is different from a number of other companies is that its year ends in September rather than December. It first learnt of the problem just three months ago. In essence, the Revenue is attempting to show that what has always been treated as a gross fund should actually be regarded as a net fund. If it succeeds, then the potential deficiency on funds which amount to no more than about £8m could be as much as £7m. But the only sufferers are the holders of M & G's shares—three quarters of which are owned by Kleiawort Benson and a charitable trust—and the management's pride. Kleiawort is standing squarely behind the unit trust group, and the security of its unit and policy holders is not in question. Nor is the continued independence of M & G's highly successful management team, which is staying together.

Furness Withy
Mr. Frank Narby was off to Gstaad yesterday for a seasonal break; doubtless he will find

ted into a public relations effort. In yesterday's crop of interest results there were no less than eight losers, with five of them showing a profit in the second period of 1978. There were two companies whose profits fell by a welcome proportion. Mann Egerton was down 47 per cent at £14m, while Danks Gowerston tumbled 86 per cent to £27,183.

The three companies slipped deeper into loss, a better one on the Stock Exchange than some of the others. Share prices of Polly Peak, a losses-rising from £12,000 to £29,000, and Stridrend 100, which fell from £15,800 to £174,500, each lost up to 60 per cent. Wharf Mill Furnishers, which lost 60 per cent from £41,500 to £153,000, was steady on 70p.

Clearly, the market was pressed by the resignation of the managing director and a new trading name "Challenges" adopted by the company.

The five remaining companies include Sutcliffe Speakers, where there was a slight improvement after last year's disastrous second half. Homfray, whose pre-tax profit of £1m was transformed into a loss of £1.1m. The share price of these two were unchanged.

The market price of Celestis Industries, with a loss of £141,000 compared with a £455,000 profit, fell 31p to 10p and Smith Whitworth was down 1p after revealing a profit of £58,700 compared with a profit of £89,800. Just in time to join this roll of dishonour, results that got on the Exchange at 4.37p, was Aberforth Plantations, where profits of £300,300 were transformed into a loss of £155,300.

Company profits

Trading profits of industrial and commercial companies, in spite of stock appreciation, have moved ahead in the third quarter, in spite of the rapid rising contribution from North Sea oil and gas sectors. Over the first nine months of the year profits were 9 per cent higher than in the same period of 1978, although the underlying rate of inflation moved to about 14 per cent. Furthermore, the profit figures do not allow for the big increase in the cost of borrowing, which has led to substantial rises in interest charges for many companies. The engineering strike may have done some damage in the third quarter, but with the underlying position improving, there is little likelihood of an early improvement.

Business with Australia or New Zealand?

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